

MINISTRY OF LABOUR AND NATIONAL SERVICE

INDUSTRIAL RELATIONS HANDBOOK

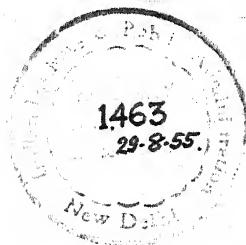
An Account of the Organisation of Employers and
Workpeople in Great Britain; Collective Bargaining
and Joint Negotiating Machinery; Conciliation and
Arbitration; and Statutory Regulation of Wages
in Certain Industries

Revised Edition

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INDUSTRIAL RELATIONS HANDBOOK

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PREFATORY NOTE

This book was originally written for the use of the staff of the Ministry of Labour and National Service. In 1944 it was issued for general publication in the belief that it would interest others also ; since then, four Supplements to the original edition have been published. Over 40,000 copies of the Handbook have been sold since 1944, and the widespread and continuous demand suggests that a revised edition would be welcome. This second edition is therefore now issued ; all the information contained in the 1944 edition has been brought up to date, certain material hitherto available only in the Supplements has been incorporated in the main work, and an account is given of developments since 1944, such as the Industrial Disputes Order, 1951, and the Wages Councils Act, 1945-48.

The present edition follows the form of the first edition as closely as is consistent with bringing the book up to date. It also includes material which appeared in the four Supplements. The narrative portions of Supplement No. 1 (1947), about hours of labour and overtime rates in the principal industries and payment of wages for holidays are now embodied, revised and enlarged, in Chapters IX and XI. The Supplement's tabular statements have been omitted because they need frequent revision ; detailed information about weekly hours in various industries and about holidays with pay is given in " Time Rates of Wages and Hours of Labour ", published annually by Her Majesty's Stationery Office.

Supplement No. 2, published in 1950, dealt with the Interim Index of Retail Prices. The method of compiling the Index was later modified, and a revised edition of the Supplement was published as a separate pamphlet in 1952. This revised edition, with a little preliminary historical matter, now forms Chapter XII and Appendices VII to X.

Supplement No. 3 (1950) dealt with Joint Consultation in Industry. The first section of this Supplement is embodied in Chapter IV which gives an account of the action taken by the Government to promote Joint Consultation. Other sections of this Supplement have not been reproduced here because the detailed information they contain about joint consultative machinery in various industries would have increased unduly the size and cost of this book.

Supplement No. 4 (1951) about Wage Incentive Schemes has been incorporated, with some revisions, in Chapter X, but Appendix I of the Supplement is not reproduced ; this gives examples of particular bonus schemes and contains a degree of detail which would be inappropriate to a general work such as the Handbook.

Ministry of Labour and National Service.

February, 1953.

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CHAPTER I

ORGANISATION OF EMPLOYERS AND WORKPEOPLE

Historical and Legislative Development

1. No appreciation of industrial relations in Great Britain is complete unless something is known of the historical background. Relations between employers' and workers' organisations have been developed on a voluntary basis over many years. For eighty years the State has recognised "collective bargaining" as the normal means of settling wages and working conditions and more recently has actively encouraged the establishment of joint agreed machinery in industry. This system of self-government in industry has been of slow growth and it is still extending its influence. It relies for its strength mainly on the organisation of employers and workers into voluntary bodies which are competent to represent their members.

2. Organisation of employers and workers grew with the development of modern industry from the eighteenth century onwards.

In the sixteenth century the State had regulated wages and conditions of labour and even earlier there were Acts of Parliament providing for the fixing of wages by the Justices of the Peace. At the same time the State prohibited combinations of workers to raise wages or to interfere in any other way with labour conditions. Combinations of employers for altering wages and conditions were also prohibited.

This State system of regulation fell into disuse with the growing complexity of industry and conditions were left to be fixed by the employer. Further legislation was, however, passed during the eighteenth century prohibiting combinations in one trade after another. The Courts, too, gave numerous judgments against the combinations of workpeople, both in virtue of this legislation and because they held that such combinations were in restraint of trade and therefore illegal at common law. Finally, the Combination Acts of 1799-1800 provided for a general prohibition of combinations in all trades.

3. During the economic depression after the Napoleonic Wars there was a movement to improve conditions of workers and, following the report of a Parliamentary Committee of Inquiry which sat in 1824, an Act—the Combination Laws Repeal Act of 1824—was passed to legalise trade societies. This Act provided that workmen or others entering into combination for the purpose

of regulating wages and conditions of labour should not be subject to proceedings for conspiracy or otherwise.

The immunity thus granted led to the widespread formation of unions ; at the same time demands for improved working conditions were followed by disputes and strikes.

4. Agitation for the re-enactment of the legislation against combination followed and another inquiry took place following which the Combination Laws Repeal Act Amendment Act, 1825, was passed. This did not confer the same degree of freedom as its predecessor of 1824 and limitations upon the activities of the trade societies made it difficult for them to take effective action without transgressing the law. This Act did, however, legalise the right to withhold labour by collective action and this right has not subsequently been withdrawn despite many variations in the powers allowed to Trade Unions.

The new position immediately resulted in a great expansion of union organisation and the conception of one big Union with a political bias emerged. Later, however, there was a concentration upon industrial betterment through stronger, if smaller, organisations whose aims were confined to obtaining recognition and securing improvement in wages and working conditions. The leaders of the more important of these societies formed themselves into a combined authority which tended to adopt a common policy.

5. Strikes were frequent during the period 1825 to 1871 and from time to time were accompanied by violence. One outbreak in 1867 led to the appointment of a Royal Commission to review the whole position of Trade Unionism, and the recommendations of this Commission made in 1869 resulted in the passing of two important Acts in 1871. One of these measures, the Trade Union Act, 1871, is the principal Act on which the present day status of Trade Unions is based. There have been many subsequent Acts, supported by a large body of case law, and the law has not been codified. The circumstances and effect of the chief legislative measures are, however, summarised in the following paragraphs.

Trade Union Act, 1871

6. Under the Trade Union Act, 1871, Unions were no longer illegal at common law because of their purpose in restraint of trade. Registration with the Registrar of Friendly Societies, which was provided for in the Act, gave certain advantages, regarding the holding of property and other matters, to any Union which so registered, provided its aims were lawful. The Act excluded from the jurisdiction of the Courts the direct enforcement of agreements relating to certain domestic affairs of unions whose purposes were in restraint of trade, and agreements between any two such Unions. This provision did not affect the enforceability of agreements made by Trade Unions which were not in restraint of trade (see the Osborne case, paragraph 13 below).

Criminal Law Amendment Act, 1871

7. The freedom of combination conferred by the Trade Union Act, 1871, was, however, qualified by the Criminal Law Amendment Act, 1871, which imposed severe restrictions upon many of the acts then associated with trade combinations. Under this Act violence, threats, intimidation, molestation and obstruction of any person in order to coerce him for trade purposes, were subject to severe penalties.

Conspiracy and Protection of Property Act, 1875

8. Widespread agitation amongst the workers followed the Criminal Law Amendment Act, 1871, and a Royal Commission was set up to make recommendations upon the situation. As a result of its report the Criminal Law Amendment Act was repealed and its place was taken by the Conspiracy and Protection of Property Act, 1875, which permitted peaceful picketing and excluded from indictment as a conspiracy, any agreement or combination to take any action in furtherance of a trade dispute unless such action by an individual would have been punishable as a crime. The relationship between employers and combinations of workmen thus became a purely civil relationship between equal parties. This legislation further defined the position of Trade Unions at law and endowed them with a considerable measure of freedom in respect of action connected with industrial disputes.

The Conspiracy and Protection of Property Act, 1875, also provided that a person employed in a gas or water supply undertaking who wilfully and maliciously breaks his contract knowing that his action, either alone or in combination with others, will deprive the consumers of their supply, is liable to prosecution. (This provision was later extended to electricity undertakings under the Electricity (Supply) Act, 1919).

The Act of 1875 contained the further provision that a person wilfully and maliciously breaking a contract of service knowing that the probable consequences of so doing, either alone or in combination with others, will be to endanger human life or cause serious bodily injury, or expose valuable property to destruction or serious injury, is liable to be prosecuted.

Employers and Workmen Act, 1875

9. This Act dealt with disputes between employers and workmen arising out of breaches of contract. It allowed Courts to adjust claims for wages or damages and in certain circumstances to order the performance of a contract in place of either the whole or part of the damages which would otherwise have been awarded. Under this Act, a dispute between an employer and a workman has been held to cover a claim by an employer against a workman for damages for absenting himself from work contrary to the terms of his contract.

Trade Union Act Amendment Act, 1876—Definition of Trade Union

10. The Trade Union Act Amendment Act, 1876, amended a definition of Trade Unions which had been given in the Act of 1871. The amended definition was that the term Trade Union meant "any combination, whether temporary or permanent, for regulating the relations between workmen and masters, or between workmen and workmen, or between masters and masters, or for imposing restrictive conditions on the conduct of any trade or business, whether such combination would or would not, if the principal Act [the Trade Union Act, 1871] had not been passed, have been deemed to be an unlawful combination by reason of some one or more of its purposes being in restraint of trade." (This definition was later amended by the Trade Union Act, 1913, which provided that the above objects together with the provision of benefits to members must be the *principal* objects of the combination).

It will be seen from the above definition that a Trade Union in its legal sense, as distinct from ordinary usage, applies to combinations either of employers or workers.

11. A period of trade depression followed the year 1875 and lasted for almost twenty years. During this period Trade Unionism lost some of its strength. Strikes were common and were almost invariably unsuccessful. The Unions confined themselves mainly to establishing such relations with employers as would ensure the maximum benefit in wages and working conditions to the workers.

When this phase passed, a new unionism arose with a tendency towards a more active industrial policy and there was a reversion to the earlier idea of one big Union. The Dock Strike of 1889 gave a fillip to the organisation of unskilled workers hitherto largely uncatered for and by 1899 the Trades Union Congress represented a million and a quarter trade unionists.

The statutory position of the Trade Unions was unchanged throughout this period but the following historic cases resulted in further legislation.

The "Taff Vale" Judgment, 1901, and the Trade Disputes Act, 1906

12. Trade Union funds had hitherto enjoyed security but in 1901 the decision was given in the important Taff Vale case that immunity had not been conferred by the law. The Taff Vale Railway Company sued the Amalgamated Society of Railway Servants in tort because certain of their employees, members of the Union, in the course of a strike were alleged to have conspired to induce workmen to break their contracts and to interfere with the traffic of the Company by unlawful means. The House of Lords held (1) that a Trade Union could be sued in respect of

injuries purposely done by its authority and procurement and (2) that a registered Trade Union could be sued in its registered name. The Amalgamated Society of Railway Servants had to pay heavy damages. This decision made every kind of trade union activity a possible basis for action for damages against the organisation.

As a result of this decision, a Commission was appointed in 1903 to enquire into the state of the law affecting trade disputes and trade combinations. The report of the Commission, published in 1906, recommended that, subject to certain safeguards, Trade Unions should accept full responsibility for their official actions. Certain changes in the Government took place at that time, however, and the Report of the Commission was not accepted. Finally the Trade Disputes Act, 1906, was passed, Section 4 of which reversed the Taff Vale decision. Under this Act a Union could not be sued for an alleged wrongful act committed by it or on its behalf. This freed the Unions from any danger of civil liability arising out of trade union activities. Other provisions in this enactment were as follows :—

(1) An Act done in pursuance of an agreement or combination of two or more persons if done in contemplation or furtherance of a trade dispute should not be actionable if the act without such agreement or combination would not be actionable.

(2) Attendance at or near a place where a person resides or works or happens to be in order to inform or persuade peacefully should be lawful.

(3) An act if done in contemplation or furtherance of a trade dispute should not be actionable merely because it induced the breaking of a contract of employment or because it interfered with another person's business or with his right to dispose of his capital or his labour at will.

These provisions represented an extension of the immunities granted by the Conspiracy and Protection of Property Act, 1875.

The Osborne Case, 1909, and the Trade Union Act, 1913.

13. Labour representatives made their appearance in Parliament in 1906 and the question arose whether the Unions were entitled to spend any of their funds on political objects. In 1909 the Amalgamated Society of Railway Servants was subjected to an action on the ground that their expenditure on political activities was *ultra vires*. In this matter the Society was an association not in restraint of trade. W. V. Osborne, a member of the Society, secured a judgment in the House of Lords which held that the Trade Union Acts did not give Trade Unions the power to collect and administer funds for political purposes, and any rule which purported to confer on a registered Trade Union a power to levy contributions from members for the purpose of securing parlia-

mentary representation was *ultra vires* and illegal. This decision was based on the principle that Trade Unions were legalised combinations having power only to act as legal entities and to enforce their rules within the limits of the Trade Union Acts. This rendered illegal all political action, any similar activity in the municipal field and all participation in activities which were foreign to the purposes enumerated in the Trade Union Acts.

This Judgment stood until the passing of the Trade Union Act, 1913. In the intervening four years most of the important Unions were precluded by specific injunctions from contributing to the support of the Labour Party. The Act of 1913 conferred power on any Trade Union to include in its constitution any lawful purpose so long as its principal objects were those of a Trade Union according to the definition of the Act of 1876. The spending of money was allowed for any purpose authorised in this way although special rules were made with regard to political objects. A majority obtained by ballot was necessary before political objects could be included in the rules of a Union and expenditure on political objects had to be made out of a special political fund to which any member need not contribute if he followed the procedure for contracting out. Should he do so, he must retain all his membership rights in other respects.

Trade Union (Amalgamation) Act, 1917

14. The Trade Union (Amalgamation) Act, 1917, laid down conditions governing the amalgamation of Unions. The provisions of this Act were modified by the Societies (Miscellaneous Provisions) Act, 1940.

Trade Disputes and Trade Unions Act, 1927

15. After the General Strike of 1926, the Trade Disputes and Trade Unions Act, 1927, was passed under which strikes and lock-outs which in their purpose went beyond the furtherance of a trade dispute within the trade or industry in which the workers or employers were engaged, and which were designed or calculated to coerce the Government, either directly or by inflicting hardship upon the community, were declared illegal. It was also made illegal to apply any sums in furtherance of an illegal strike or lock-out. Criminal proceedings could be instituted against any individual who incited others to take part in such illegal strikes. The law of picketing was made much more rigid and severe. In regard to political funds "contracting-out" was replaced by "contracting-in" and if the individual were willing to contribute this had to be embodied in a written notice in a form prescribed by the Act. Members of the civil service were prohibited from becoming members of any Unions with political objects and their Unions were denied the right of affiliation with any other industrial

or political organisation. It was made illegal for local or other public authorities to make it a condition that any person employed by the authority or by a contractor working for the authority should or should not be a member of a Trade Union. An employee of a local or other public authority who broke a contract of service with the authority knowing that the probable consequence would be to cause injury or danger or grave inconvenience to the community became liable to be prosecuted.

Trade Disputes and Trade Unions Act, 1946

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The Trade Disputes and Trade Unions Act, 1946, repealed the Trade Disputes and Trade Unions Act, 1927, and, subject to certain transitional provisions concerning rules of Trade Unions and political funds, restored the position in all respects to that existing before the Act of 1927 came into force.

WORKPEOPLE'S ORGANISATIONS

Trade Unions

16. The workers' societies have had their origin in diverse circumstances and for this reason vary considerably as to size, structure and constitution, though all have the fundamental purpose of improving the status and the conditions of their members and are collectively concerned with all matters by which workers are affected.

Some Trade Unions, generally speaking the older Unions, cater for a single craft or group of crafts although the evolution of industry may have resulted in their members becoming employed in a variety of industries. Other, and generally speaking larger, Unions have been established on an industrial basis and seek to cover all classes of workpeople in a particular industry or range of industries. Thus, the National Union of Railwaymen is an industrial Union catering for all classes of railway employees and includes members even in grades which are particularly catered for by the Transport Salaried Staffs' Association and the Associated Society of Locomotive Engineers and Firemen. Further, the activities of the National Union of Railwaymen extend to railway workshops, where the craft Unions and general workers' Unions are largely represented. In the engineering industry the extension of machine processes has led to the employment of semi-skilled operatives, many of whom are in membership of the general workers' Unions, to which also, of course, many of the labourers belong. These—the Transport and General Workers' Union and the National Union of General and Municipal Workers—are organised in sections covering a wide range of industries.

17. Each Union is an autonomous body with its own organisation, the basis of which is the local Branch or Lodge. The Branch elects officers and committees and discusses all matters which can be dealt with locally. Wider questions are sent forward for the attention of the Union's district or national bodies. Every member has a right to attend and take part in Branch meetings, and it is at these meetings that the individual members are able to put forward suggestions regarding their conditions of employment and to raise questions concerning the work and policy of the Union. The majority of the Unions have representatives in the workshops whose functions include getting in touch with newcomers, the collection of dues, and the interrogation of defaulters, and who supply the Branch with information regarding any alleged encroachment upon recognised trade union conditions. In various trades also the workshop representatives, for example shop stewards in the engineering industry, participate in deputations to the management in connection with grievances and also arrange shop meetings for the discussion of problems concerning the members of the shop.

The members of the local branches elect delegates to represent them on district and national committees and at the Union's national conferences. The district and national committees deal with business of more than local significance and there is normally an annual conference at which the policy of the Union and any alterations to the Union's rules are decided. Each Union controls its own funds and has offices and a full-time paid staff.

In the localities, the branches of the various Trade Unions may appoint representatives to a local Trades Council which meets to consider questions of common interest to the Unions in the area concerned.

18. The methods followed by Unions in furthering the interests of the workers and the degree of autonomy exercised by local branches vary greatly from Union to Union. Some Unions are bound by stringent procedure in respect of the treatment of differences and in those strike action is irregular until all the possibilities of procedure have been exhausted. Generally, however, any decision for a withdrawal of labour rests with the Executive, although in some Unions it is necessary to refer the issue to a ballot vote of the members and to obtain a two-thirds majority. There is no uniform procedure and the practice depends on the constitution and the relationships of the Union concerned.

19. The following figures give an indication of the variations in the membership of Trade Unions in the United Kingdom (members in overseas branches and serving in H.M.F. are included).

Year	Number of Trade Unions at the end of the year	Membership at end of year		
		Males	Females	Total
		Thousands	Thousands	Thousands
1896	1,358	1,466	142	1,608
1906	1,282	1,999	211	2,210
1914	1,260	3,708	437	4,145
1919	1,360	6,600	1,326	7,926
1920	1,384	7,006	1,342	8,348
1930	1,121	4,049	793	4,842
1938	1,024	5,127	926	6,053
1941	996	5,753	1,412	7,165
1943	987	6,258	1,916	8,174
1945	781	6,237	1,638	7,875
1946	757	7,186	1,617	8,803
1947	734	7,483	1,662	9,145
1948	731	7,647	1,672	9,319
1949	721	7,612	1,661	9,273
1950	709	7,572	1,670	9,242
1951	704	7,705	1,775	9,480

An outstanding feature of Trade Unionism during the last 60 years has been the reduction in the number of organisations. Earlier, when communication was more difficult and co-operation had not been developed, the tendency was for small localised Unions catering for particular groups of workers. A process of amalgamation and absorption has gone on almost continuously over the whole period despite variations in the aggregate membership, although many small local Unions have persisted. So far as individual industries are concerned, the tendency has been, where similar types of workers were involved, for coalescence on a national basis. In 1920, when the aggregate membership was 8,348,000, there were 1,384 Unions as compared with 704 with an aggregate membership of 9,480,000 at the end of 1951.

The extent to which the larger organisations contributed to the total membership is indicated by the fact that, in 1951, 17 of them represented 6,305,000 workers, or 66·5 per cent. of the whole. On the other hand, the number of Unions with less than 500 members in 1951 was no fewer than 322 with a total membership of only 53,000 or 0·6 per cent. of the aggregate. The trend in the direction of concentration is clear.

Federations of Trade Unions

20. In Great Britain and Northern Ireland at the end of 1917 there were 182 federations of trade unions. By the end of 1951 largely as a result of the above-mentioned process of amalgamation the number of federations had fallen to 49. Examples of such federations are the Confederation of Shipbuilding and Engineering Unions of the United Kingdom, the United Textile Factory

Workers' Association and the Northern Counties Textile Trades Federation (covering various organisations in the cotton industry), the Printing and Kindred Trades Federation, the National Federation of Building Trades Operatives, the Civil Service Alliance and the National Federation of Professional Workers.

These federations vary greatly in their purposes and in the degree of authority conferred on them by the constituent Unions. In general, however, the final decision as to action in connection with a labour dispute rests with the executive of the individual Union although it naturally has certain obligations in respect of any decision of a federation. There are a few instances in which the decision of a federation is binding on a constituent Union, but it is exceptional to find that this is a matter of clear definition in the constitution.

21. A federation of a different character to those mentioned above is the General Federation of Trade Unions to which are affiliated (end of 1951) 62 societies in different industries. It was set up in 1899 by the Trades Union Congress as a central body to co-ordinate the industrial activities of all Trade Unions and to undertake the responsibility of financing trade union mutual aid services. Any Union which joined the Federation was to be entitled to draw upon a central fund to supplement its resources in the event of a strike or lock-out. Most of the Unions which are affiliated to the Federation are individually small, and the Federation operates to a large extent as a mutual insurance organisation.

Trades Union Congress

22. Since 1868 the trade union movement has had a central co-ordinating body in the Trades Union Congress, the objects of which are "(a) to do anything to promote the interests of all or any of its affiliated organisations or anything beneficial to the interests of past and present individual members of such organisations ; (b) generally to improve the economic or social conditions of workers in all parts of the world and to render them assistance whether or not such workers are employed or have ceased to be employed ; (c) to affiliate with or subscribe to or to assist any other organisation having objects similar to those of the Congress ; and (d) to assist in the complete organisation of all workers eligible for membership of its affiliated organisations and [subject to its Rules] to settle disputes between the members of such organisations and their employers or between such organisations and their members or between the organisations themselves." The Standing Orders provide that in furtherance of these objects the General Council shall endeavour to establish such measures as the public ownership and control of natural resources and of services including land, mines, minerals and railways ; the extension of State and Municipal enterprise for the provision of

social necessities and services ; proper provision for adequate participation of the workers in the control and management of public services and industries ; a legal maximum working week of 40 hours and a legal minimum wage for each industry or occupation ; for provision and training for unemployed ; proper and adequate housing ; full educational facilities ; adequate maintenance and compensation in respect of all forms of industrial accidents and diseases ; and adequate pensions for all at the age of 60 and for widows and children.

23. The Annual Meeting of delegates from the Unions affiliated to the Trades Union Congress settles general policy for the ensuing year. The General Council, the executive body which carries out the decisions of Congress, is composed of 35 members representing the 18 trade groups into which the affiliated Unions have been divided. The duties of the General Council are, among other things, to keep a watch on all industrial movements and where possible to co-ordinate industrial action ; to watch legislation affecting labour and to promote such legislation as Congress may direct ; to adjust differences and disputes between affiliated Unions ; to promote common action on general questions such as wages and hours of labour ; to assist any Union which is attacked on any vital question of trade union principle ; to assist in the work of organisation and to carry on propaganda to strengthen the trade union movement ; and to enter into relations with the Trade Union and Labour movements in other countries.

There is an obligation upon affiliated Unions to keep the General Council informed regarding trade disputes, particularly where they may involve directly or indirectly large bodies of workers. The general policy of the Council is not to intervene in a dispute, unless requested by the affiliated Union or Unions concerned with it, so long as there is a prospect of amicable settlement by means of any existing machinery of negotiation. When, however, negotiations break down and the deadlock is of a character which involves other affiliated bodies of workpeople directly or indirectly in a stoppage of work, or which imperils standing wages or hours or conditions of employment, the Council may take the initiative to use its influence to effect a settlement.

The General Council may also use its influence to settle disputes or threatened disputes between affiliated organisations. The procedure laid down is that, upon application by affiliated Unions, the Council may investigate a dispute or disagreement between such Unions whether relating to general questions or to a demarcation of work. The Council may require such organisations to submit evidence necessary to enable the Disputes Committee of the Council to adjudicate upon the case and any organisation which does not carry into effect any decision of the General Council upon such cases is, in the last resort, liable to suspension or exclusion from membership of Congress.

Scottish Trades Union Congress

24. There is a separate Scottish Trades Union Congress which occupies a corresponding position in the trade union movement in Scotland. Although it is of interest particularly to Unions confined to Scotland, some large national Unions have also become affiliated to it as well as to the T.U.C. Because of this dual membership of the larger Unions, there is a close liaison with the T.U.C. The Scottish Trades Union Congress now (1952) represents about 750,000 Trade Union members in Scotland.

EMPLOYERS' ORGANISATIONS

25. Employers' organisations in the form of Merchant Guilds and livery Companies have been in existence in this country since the Middle Ages. These Guilds and Companies which, in their time, dealt in some measure with both trading and labour questions affecting their craft, differed in material respects from employers' organisations under modern conditions. Like most British institutions, the latter have developed to meet particular circumstances and do not conform to any uniform plan. Broadly, they fall into three categories :—

(1) those constituted for dealing with industrial relations questions, including collective bargaining with Trade Unions and the avoidance of disputes ;

(2) those which fulfil that purpose and, in addition, deal with trading questions ; and

(3) those which deal solely with trading questions and which are therefore outside the scope of this Handbook.

26. There is great diversity of function and equal variety in structure among these organisations. Generally, however, employers are organised as regards labour matters on an " industry " basis. Some associations are purely local in character and deal with a section of an industry. Others are national in scope and are concerned with the whole field of a particular industry. It is impossible to classify them in respect of aim, structure or authority. In many of the chief industries there are local or regional organisations combined into national federations, but the degree of authority exercised by regional organisations over individual members or by federations over affiliated organisations, especially in the matter of wages and working conditions, varies considerably.

27. In 1936, there were known to be in existence about 270 national federations concerned with matters relating to the employment of labour, and in addition approximately 1,550 other employers' organisations consisting for the most part of local or regional branches of the national federations. There was, therefore, in 1936, a total of 1,820 employers' organisations dealing

with labour questions ; an analysis of these organisations classified according to main industrial groupings is to be found on page 136 of the Twenty-Second Abstract of Labour Statistics of the United Kingdom (1922-36). The corresponding figure in November, 1952, was approximately 1,800 and although statistics are not available to show what proportion of these were national as distinct from local bodies, there is no reason to believe that the proportion has materially altered since 1936.

28. By 1919 there had been formed the National Confederation of Employers' Organisations—now known as the British Employers' Confederation—to secure the co-operation of the employers' national federations in dealing with all questions arising out of the relations between employers and their workpeople. The British Employers' Confederation is the employers' counterpart of the Trades Union Congress for dealing with labour questions affecting industry generally, though it does not represent, in this or any other capacity, the Boards of the Nationalised industries. The Confederation has represented British employers at the annual Conferences of the International Labour Organisation since that Organisation was set up in 1919.

NATIONAL JOINT ADVISORY COUNCIL

29. The British Employers' Confederation and the Trades Union Congress which are described above have long been recognised as the authoritative means of consultation between Government Departments and organised employers and workpeople on matters affecting their respective interests, but until 1939 no permanent formal machinery existed through which matters of common interest to employers, workers and the Government could be discussed.

With the outbreak of war in 1939 it was appreciated that it was not enough for consultation between the Government and these bodies to take place on an *ad hoc* basis. There was a need for closer and more regular consultation. In October, 1939, a National Joint Advisory Council was established consisting of fifteen representatives nominated by the British Employers' Confederation and fifteen by the Trades Union Congress. It was agreed that this should be an advisory body and that its terms of reference should include "all matters in which employers and workers have a common interest." The Council meets quarterly. In May, 1940, it appointed a constituent body, the Joint Consultative Committee, consisting of seven representatives from each side. This meets as required and being a smaller body than the Council, is designed to consider matters referred to it in greater detail than would be appropriate for the full Council. In this form these organisations advised the Minister throughout the war on all

matters affecting labour and they contributed greatly to the success of the manpower and general industrial policy on which the country's war efforts were based.

30. When the war ended it was obvious that the labour problems of the transition period would be just as severe as those of the war. It was obvious, too, that regular consultation with the two sides of industry would have an equally important peace-time role. It was therefore decided at a special meeting held in July, 1946, that the Council should be reconstituted with 17 members from each side. In this form the Council has continued to function, giving consideration, as in war-time, to all matters, whether relating to legislation or not, affecting employers and workers. The continuance during peace-time of these arrangements to which the exigencies of war had given rise has been of the utmost importance in maintaining industrial harmony and stability. Political changes have not altered the nature or diminished the value of this consultation and pride can justifiably be taken in the national good sense and reasonableness which have made it possible for the National Joint Advisory Council to continue to flourish.

31. The first meeting of the National Joint Advisory Council in 1949 marked a further stage in its development in that, for the first time, a third "side" was represented, namely the nationalised industries. It had been appreciated for some time that unless special measures could be taken there was a danger that, with the nationalisation of certain industries, the Council would become to some extent unrepresentative of industry as a whole. To avoid this danger and to ensure that problems common to private and to nationalised industries were treated as far as possible on similar lines it was decided, with the full concurrence of the British Employers' Confederation and the Trades Union Congress, to invite representatives of the nationalised industries to attend and to take part in the deliberations of the meetings of the Council which they have done ever since. This development has proved most successful and the contribution made to the work of the Council by the representatives of nationalised industries has been most valuable.

CHAPTER II

COLLECTIVE BARGAINING AND DEVELOPMENT OF JOINT NEGOTIATION BETWEEN ORGANISATIONS OF EMPLOY- ERS AND WORKPEOPLE

HISTORICAL DEVELOPMENT

1. In the early days of Trade Unionism the outlook of the Unions reflected both industrial aspirations and political ideas. By about 1850, however, Unions were concentrating more and more upon the improvement of the working conditions of the workers and, as they had by that time made considerable progress in their struggle for recognition, the next stage was the establishment of some agreed relationship with employers and employers' organisations. Most of the craft Unions had a strong membership and they were able to negotiate agreements with employers setting up voluntary machinery for dealing with disputes by conciliation and even by arbitration. Voluntary Joint Conciliation Boards, with a form of procedure confined to the treatment of disputes, were established in a number of industries, and with the development of industry the scope of this arrangement came to be widened. In this process Trades Councils and local federations of employers' associations lent considerable aid, and by 1900 many of the staple industries had adopted the practice of collective bargaining.

2. The term "collective bargaining" is applied to those arrangements under which the wages and conditions of employment are settled by a bargain, in the form of an agreement made between employers or associations of employers and workpeople's organisations. In unorganised trades the normal practice was and sometimes still is for the individual workman, when applying for a job, to accept or refuse the terms offered by the employer, without communication with his fellow workmen and without any other consideration than his own position. In other words, he made with his employer an entirely individual bargain. The position is quite changed when the employer is party to an agreement which settles the principles and conditions upon which for the time being all workmen of a particular class or grade will be engaged. When the agreement is made by a number of different employers or, as is often the case, by an employers' association acting on behalf of the whole or the greater part of the firms in a given industry within a wide area, all the workpeople employed by the employers concerned are secured equality of treatment, while each employer is protected against unfair competition due

to lower wages costs in so far as his competitors are parties to the agreement. For many years collective agreements have played a most important part in the regulation of working conditions in this country. They cover a great variety of matters including not only rates of wages, but also hours of work, overtime conditions, special allowances, piece-work arrangements, holidays, allocation of work, employment of apprentices and working conditions generally. The terms and conditions laid down in agreements are applied not only to members of Trade Unions but also to non-unionists. Trade agreements are also largely observed by employers who are not party to them.

This system of collective bargaining could not function smoothly without agreements between the parties regarding the procedure for dealing with questions as they arise, and an immense amount has been done towards evolving machinery for the avoidance of strikes and lock-outs in connection with trade disputes.

3. The whole of this collective system rests upon the principle of mutual consent, and the value of the agreements and the machinery for settling disputes has depended upon the loyal acceptance by the constituent members on both sides of the decisions reached. This acceptance is purely voluntary depending solely on the sense of moral obligation. Loyal acceptance has in fact been the rule in all the trades concerned. Although the question has been raised from time to time of the adequacy of these methods, the view has always been taken that it was not desirable to adopt some alternative based upon principles other than that of mutual consent or to introduce any system of penalties for non-observance of agreements. Certain steps have, however, been taken by the State in the interests of the community to encourage joint voluntary machinery and to assist where necessary in the settlement of disputes. The main legislative measures are the Conciliation Act, 1896, and the Industrial Courts Act, 1919, and there also exists certain temporary provision for compulsory arbitration. In addition, however, a great deal has been done through the Conciliation Officers of the Ministry of Labour and National Service to strengthen and support existing joint machinery and to promote new voluntary machinery as organisation has developed in industry.

Conciliation Act, 1896

4. In 1891, a Royal Commission was set up "to enquire into the relations between employers and workmen and to report whether legislation could be directed to remedy any faults disclosed." This body emphasised the rapid development of voluntary Joint Conciliation Boards and the desirability of State encouragement of such Boards. The recommendations of this Commission reached the Statute Book in the Conciliation Act, 1896, under which a special section of the Board of Trade was to

foster voluntary conciliation agreements and was granted powers in connection with trade disputes :—

- (1) to inquire into the causes and circumstances of a dispute ;
- (2) to take steps towards bringing the parties together ;
- (3) to appoint a conciliator or board of conciliation on the application of the employers or the workers ; and
- (4) to appoint an arbitrator on the application of both parties.

These powers were subsequently transferred to the Ministry of Labour and National Service and the Act is still operative. In the first instance both sides of industry showed reluctance to accept Government interference, even to this limited extent, and the officers who were concerned with carrying out the purposes of the Act had to use the powers sparingly. By the exercise of discretion, however, the Labour Department of the Board of Trade (later the Ministry of Labour and National Service) was able to do a good deal of useful work in the field of industrial relations while giving full play to the voluntary principle in organised industries.

Trade Boards Act, 1909

5. The first modification of the voluntary principle in the regulation of wages was made by the Trade Boards Act, 1909, which set up Trade Boards empowered to fix minimum rates of wages. The Act was confined to certain unorganised trades where "sweated wages" had aroused deep public feeling. The Act was extended in 1918, and both the 1909 and 1918 Acts were replaced by the Wages Councils Acts, 1945-1948. These and other forms of statutory regulation of wages are described in Chapter VIII of this Handbook.

Munitions of War Act, 1915

6. At the outbreak of war in 1914 a considerable section of industry was covered by agreements dealing with wages and working conditions. Also, Trade Unions had established certain practices in relation to conditions of work and the labour to be employed on the various processes. The war gave a great fillip to trade union membership, and the Unions acquired a new status as the Government of the day took them into consultation to an increasing extent. War conditions called for greater flexibility in production and steps had to be taken to avoid stoppages of work due to trade disputes. Under the Munitions of War Act, 1915, strikes and lock-outs were made illegal so far as munitions work was concerned unless the difference had been reported to the Board of Trade and had not been referred by the Board of Trade for settlement in accordance with the provisions of the Act within twenty-one days of being reported. The definition of "munitions work" was so wide as to exclude only a very small section of production from the operation of this prohibition. Arbitration in

regard to disputes on munitions work was enforceable by the Board of Trade but there was an understanding that the agreements in the various industries were to continue to operate and that arbitration should be supplementary. As the war progressed, however, the tendency was for the Trade Unions to prefer a quick reference to arbitration and this became the common practice. Any Award under the Munitions of War Act was binding on both sides and was enforceable at law.

This war-time national arbitration gave encouragement to the regulation of wages on a national basis, and after the war wage changes in many industries continued to be made on a national basis and through centralised organisations.

Whitley Committee, 1916

7. Despite the legal prohibition of stoppages of work and the acceptance of compulsory arbitration, there developed at the mid-period of the war areas of unrest throughout the country. These seemed to have a common origin in what was called the Shop Stewards' Movement which found its inspiration in the theory of industrial unionism. The essence of this was devolution of authority to the workshop and the establishment of workers' control therein on militant lines with the ultimate object of securing control of industry generally. It had its chief vogue on the Clyde and in Sheffield but there were less important manifestations in other districts. It gained impetus from the restrictions placed on the recognised authority of the Unions in respect of strike action, and its popularity was due in a considerable measure to the fact that its propagators were able to inspire the rank-and-file with the idea that they could expect nothing from the orthodox officials and must act for themselves. They were convinced that even their ordinary claims were best furthered by unofficial action and, in consequence, the exponents of the theories of the Shop Stewards' Movement, who had wider motives, were accepted as leaders in industrial disputes. The situation developed a number of serious aspects, and in October, 1916, the Government set up a Committee on the Relations between Employers and Employed under the Chairmanship of Mr. J. H. Whitley, M.P., the then Speaker of the House of Commons :

(1) to make and consider suggestions for securing a permanent improvement in the relations between employers and workmen ; and

(2) to recommend means for securing that industrial conditions affecting the relations between employers and workmen shall be systematically reviewed by those concerned with a view to improving conditions in the future.

8. The recommendations contained in the five reports of the Committee were far-reaching and they have played an important

part in the extension and formation of joint negotiating machinery, the extension of the Trade Boards system and the development of statutory machinery for the prevention and settlement of industrial disputes. The recommendations were (1) the formation in well-organised industries of Joint Industrial Councils, (2) the appointment of Works Committees representative of the management and the workers in individual establishments, (3) statutory regulation of wages in badly-organised trades, (4) a permanent Court of Arbitration, and (5) that the Minister of Labour should be authorised to hold inquiries regarding disputes. The Committee laid down as an over-riding consideration "the advisability of a continuance, as far as possible, of the present system whereby industries make their own agreements and settle their differences themselves." This has been, and still is, the determinant of the State policy in regard to intervention in industrial disputes. The Committee also stated as their "considered opinion that an essential condition of securing a permanent improvement in the relations between employers and employed is that there should be adequate organisation on the part of both."

The Committee's reports were favourably received by organisations of employers and workpeople and the policy suggested was adopted by the Government. The Ministry of Labour was charged with the application of the recommendations.

The development of Joint Industrial Councils is described later in this Chapter ; relationship between management and employees within the individual industrial establishment is dealt with in Chapter IV ; and statutory wage regulation is referred to in Chapter VIII. The other recommendations of the Committee ((4) and (5) above) were embodied in the Industrial Courts Act, 1919, in which it was laid down, as regards the Minister of Labour's powers of reference to arbitration, that any established voluntary procedure appropriate to the difference in question should first be fully utilised. The application of recommendations (4) and (5) is described in Chapter V.

METHODS OF JOINT NEGOTIATION

9. Voluntary joint machinery for the regulation of terms and conditions of employment has evolved according to the varying needs and circumstances of the different trades and industries. Considerable diversity was bound to result from differences in the geographical distribution, size and character of industrial undertakings, in the nature and extent of organisation among employers and workpeople, in the structure and inter-relationships of their respective associations and in the rate of change in all these matters. All these factors have influenced the course of development, and, like the Unions and employers' organisations themselves, the joint machinery presents great complexity and variety

in structure and organisation. Even industries which are highly organised and which are carried on mainly in large-scale undertakings do not conform to any one type of wage regulating system. It is frequently the case, however, that the better the organisation is, the more effective and simple is the machinery of collective bargaining.

10. In the early days of collective bargaining, negotiation was generally confined to localities, but in most industries the scope of the machinery has been continually extended until national negotiations have largely replaced local interchanges on industrial questions. National negotiating machinery varies considerably, however, in form and degree of authority over the local machinery.

11. The trend towards national negotiations does not necessarily mean that wage rates and conditions have become uniform throughout the country within industries. For instance, in the building industry there is a grading system and wage rates vary according to district; and, again, in the engineering industry, although there are now minimum time rates which have been negotiated at national level, the national agreements have also provided for the continuation of district differentials. The broad general tendency is, however, towards a reduction in the margin of variation between one locality and another.

In some industries the need for local adjustments of rates, or for local consultation regarding the application of national agreements, is met by discussions at the appropriate level between representatives of the Unions and employers' associations or individual employers. Where necessary, District or Local Agreements may be entered into, but such agreements must be in conformity with the National Agreements and the latter usually prescribe the subjects which may be dealt with locally.

Where industrial settlements are arranged nationally there is a right of appeal from local bodies to national organisations regarding any differences arising locally. In some instances a disposition to refer such local matters for central discussion results in a loss of flexibility but, on the whole, considerable discretion is exercised by local bodies in endeavouring to reach an amicable solution of differences.

12. Variety in the methods of collective bargaining as well as in wages structure is most evident in industries in which the principle of joint negotiation between organisations had been acted upon and was well established before 1918. There is greater uniformity in industries where joint organisation is a more recent development and has been founded on the basis of the Joint Industrial Councils which were recommended by the Whitley Committee. These Councils are described in the following paragraphs.

JOINT INDUSTRIAL COUNCILS

13. The Whitley Committee recommended, *inter alia*, "the establishment for each industry of an organisation, representative of employers and workpeople, to have as its object the regular consideration of matters affecting the progress and well-being of the trade from the point of view of all those engaged in it, so far as this is consistent with the general interests of the community." The Committee further stated "... a permanent improvement in the relations between employers and employed must be founded upon something other than a cash basis. What is wanted is that the workpeople should have a greater opportunity of participating in the discussion about and adjustment of those parts of industry by which they are most affected . . . We venture to hope that representative men in each industry, with pride in their calling and care for its place as a contributor to the national well-being, will come together in the manner here suggested, and apply themselves to promoting industrial harmony and efficiency and removing the obstacles that have hitherto stood in the way."

The Committee accordingly urged that the Government should propose to the organisations of employers and employed the formation of Joint Industrial Councils to consist of representatives of the associations of employers and workpeople meeting at regular intervals for the consideration of such matters as the better utilisation of the practical knowledge and experience of the workpeople, the settlement of the general principles governing the conditions of employment, means of ensuring to the workpeople the greatest possible security of earnings and employment, methods of fixing and adjusting earnings, piecework prices, etc., technical education and training, industrial research, improvement of processes, etc., and proposed legislation affecting the industry.

The Committee recommended further that District Councils, similarly representative of associations of employers and employed and Works Committees, representative of the managements and of the workpeople in particular establishments, should be set up in conjunction with the National Councils.

14. The services of the Ministry of Labour were invoked by many industrial organisations on various aspects of the scheme, and the Ministry drew up a Model Constitution and Functions of a Joint Industrial Council which is set out in Appendix I.

15. The basis of the scheme of Joint Industrial Councils is the recognition of the representative nature of employers' associations and Trade Unions. For various reasons—mainly on account of the prior existence of adequate joint machinery—the formation of Joint Industrial Councils on the lines laid down by the Whitley Committee was not undertaken in some of the more important industries (e.g. Engineering, Shipbuilding, Iron and Steel, and Cotton) where the recognition of Trade Unions was most completely

established and a procedure of collective bargaining already well developed. Between January, 1918, and December, 1921, 73 Joint Industrial Councils were established. In addition, 33 Interim Industrial Reconstruction Committees of a less formal character were set up by the Ministry of Reconstruction to provide some representative body in industries where organisation was insufficiently developed for the purposes of a Joint Industrial Council. Fourteen of these Committees were reconstituted as Joint Industrial Councils within a few years. Some Joint Industrial Councils were established before organisation was adequate within the industries concerned to give them authority and in consequence subsequently broke down. Others, however, gained in strength and succeeded in establishing themselves. The number of Joint Industrial Councils had dropped to 47 by 1926 and in 1938 there were 45. The increased organisation of industry and other conditions arising out of the Second World War gave an impetus to the setting up of voluntary negotiating machinery in fields not already covered ; the process has been maintained since the war and at the end of December, 1952, there were 128 Joint Industrial Councils.

16. Although largely based upon the model constitution, the Joint Industrial Councils present considerable variety in structure, in the degree of authority within the industry, and in the nature and extent of their activities. They have played an important part in the settlement of disputes. The constitution of many Councils provides that no stoppage of work shall take place until the matter in dispute has been considered by the Council or by other machinery provided in the constitution.

While there are a few Councils which in practice deal only with the negotiation of wages and conditions, most of the Councils have at some time or other dealt with other matters.

Among the matters dealt with have been unemployment, restoration of trade, research and the collection of statistics within the industries and from outside authorities, education, training and apprenticeship, welfare, health and safety, workmen's compensation, transport facilities, etc. In appropriate matters there is consultation between the Councils and the Government Departments concerned.

17. Joint Industrial Councils vary also in size (the number of representatives ranging from a dozen to one hundred), frequency of meetings (e.g., quarterly, half-yearly, or only occasionally as the business on hand requires), and the extent, if any, of District Councils. The latter enjoy in some industries a certain amount of local autonomy but are usually subject to the authority of the National Council.

Joint Industrial Councils with District Councils have been established for Local Authorities in England and Wales, e.g., one

Council for the Administrative, Professional, Technical and Clerical Grades and another for Manual Workers. The Government has adopted similar machinery for its own employees. There is a National Whitley Council, together with Departmental Councils, for the Administrative and Legal Departments of the Civil Service (that is, for non-industrial Civil Servants) while for industrial employees there is an Industrial Council for each of the main employing Departments, Trade Joint Councils dealing with the wages of certain industrial groups, and a Joint Co-ordinating Committee.

Officers of the Ministry of Labour and National Service attend the meetings of a considerable number of Joint Industrial Councils in the capacity of liaison officers and assist the Councils in a variety of ways.

ARRANGEMENTS FOR ARBITRATION UNDER VOLUNTARY JOINT AGREEMENTS

18. Early in the development of collective bargaining between employers and workpeople, the problem arose of finding a means of settling a dispute where agreement could not be reached by negotiation, and so avoiding a strike or lock-out. In 1856 a Parliamentary Committee which was appointed "to enquire into the expediency of establishing equitable Councils for the amicable adjustment of differences between masters and operatives" laid down the need for a clear distinction between compulsory arbitration which would bind parties under penalties to accept a decision or award, and arbitration where the obligation to accept a finding did not go beyond an honourable obligation. The Committee did not solve the problem but the practice developed of incorporating in joint agreements arrangements for arbitration by an independent party, and long before legislation was passed to provide machinery for the reference of industrial disputes to arbitration, a number of local or district Conciliation and Arbitration Boards had been set up in this way by industries themselves. Mention may be made of the Board of Conciliation and Arbitration for the Manufactured Iron and Steel Trades of the North of England, dating from 1869, the Midland Iron and Steel Wages Board, which goes back to 1872, and the Board of Conciliation and Arbitration for the Manufactured Steel Trades of the West of Scotland, which was set up in 1890. Other industries having such Boards at the beginning of the present century were Building, Quarrying, Textiles, Boot and Shoe, Tailoring and Furnishing Trades. These Boards, which were composed of equal numbers of representatives of employers and workpeople, endeavoured to resolve disputes by methods of conciliation. The joint agreements regarding the Boards provided, however, for the appointment of an arbitrator or umpire acceptable to both sides to deal with cases which could

not be settled by negotiation. It was generally provided that no strike or stoppage should occur while the matter in dispute was under consideration by the Board, and the history of these Boards provides an almost unbroken record of acceptance and loyal observance, by both sides of the industries concerned, of the decisions of the umpires or arbitrators to whom their disputes were referred.

19. The steps taken by industry to set up its own arbitration machinery were supplemented by the provisions of the Conciliation Act, 1896, and the Industrial Courts Act, 1919. A large number of Joint Industrial Councils and other national negotiating bodies have made provision for the reference of unsettled disputes to the Industrial Court, or to individual arbitrators appointed by the Minister of Labour and National Service under the provisions of the Industrial Courts Act, or for the appointment by the Minister of an Independent Chairman, to preside over a meeting of the Council with the powers of an Umpire. On the other hand a number of industries and services have preferred their own arbitration machinery designed to meet their particular needs. The following are some examples of arrangements for voluntary arbitration where there is failure to reach agreement through negotiating machinery :—

The Civil Service Arbitration Tribunal

The Civil Service Arbitration Tribunal was set up in 1936 as a result of an agreement reached between the Treasury and the Staff Side of the National Whitley Council for the Administrative and Legal Departments of the Civil Service. This Tribunal deals with questions affecting the emoluments, weekly hours of work and leave of classes of Civil Servants on which Government Departments and recognised Associations of Civil Servants have failed to reach agreement by negotiation. The Tribunal consists of an independent Chairman, one member drawn from a Panel appointed by the Minister of Labour and National Service as representing the Chancellor of the Exchequer for the time being, and one member drawn from a Panel similarly appointed representing the Staff Side of the National Whitley Council.

National Conciliation Board for the Co-operative Service

The procedure for the settlement of disputes in the retail co-operative service provides for the establishment of a National Conciliation Board composed of six members representing Co-operative Societies and six chosen by the Trade Unions representing the workers, together with an independent Chairman drawn in rotation from a panel of six persons. Where a decision cannot be reached by a unanimous vote or by a majority vote on both sides, the independent Chairman, if both parties consent, acts as Arbitrator and gives a binding award.

London County Council Staff Standing Arbitration Tribunal

A Tribunal on similar lines to the Civil Service Arbitration Tribunal has been established by agreement between the London County Council and the L.C.C. Staff Association.

Reference may also be made to the particulars of the Railway Staff National Tribunal, the National Conciliation Board of the Coal-Mining Industry and the Quarrying Industry Court of Arbitration contained in Chapter III.

20. The above is not a comprehensive list of the industries and services where the negotiating machinery provides for arbitration in the last resort but it illustrates the types of arrangements which have been made. Experience shows that both workers and employers are ready to accept decisions to which they have voluntarily bound themselves in advance. Both sides take this obligation seriously, and very rarely is an arbitration award repudiated.

CHAPTER III

JOINT NEGOTIATING MACHINERY

The Organisation of Joint Collective Machinery in Selected Industries

1. The preceding Chapter deals with the general development of joint machinery in Great Britain. In this Chapter are described in outline the joint arrangements in a few industries and services which have been selected to illustrate the variety of voluntary machinery which has been adopted for the settlement of wages and conditions of employment. In some industries there is no formally constituted joint machinery, and by custom and practice the parties negotiate on questions as they arise, subject to the accepted principles that there shall be no stoppage of work during negotiations and no negotiations while such a stoppage exists. In other industries and services there are standing Joint Councils or Committees with detailed procedure for dealing with questions at different stages.

2. The general policy of placing on the two sides of industry the responsibility for the settlement of terms and conditions of employment has been embodied in the legislation nationalising the coalmining, civil aviation, transport, electricity, gas and iron and steel industries. This legislation places on the Boards responsible for the operation of these industries an explicit obligation to enter

into consultation with the workpeople's organisations as to the establishment and maintenance of joint machinery for the settlement of terms and conditions of employment and for joint consultation on matters of common interest.

3. The following paragraphs give an account of negotiating machinery in a number of selected industries, both nationalised and under private ownership, and in certain other services. This account is not exhaustive and is intended only to show the marked differences in method which have been evolved.

GOVERNMENT INDUSTRIAL ESTABLISHMENTS

4. During the years 1919 and 1920 the principles of the Whitley Reports were applied to Government industrial establishments by a scheme which provided for the setting up of two types of Council, viz., Departmental Joint Councils and Trade Joint Councils, and also for local machinery such as Works or Yard Committees. Most of the existing Councils date from the years 1919 and 1920. There are two main types of constitution common to the Councils, one for the Departmental Joint Councils and one for the Trade Joint Councils, though the Forestry Commission Council combines the functions of both a Departmental and a Trade Joint Council. A Departmental Joint Council may be said, in brief, to deal with matters other than wages and trade questions, i.e., mainly domestic matters, such as the interpretation of departmental regulations, welfare and other questions on which the Trade Union Side may wish to make representations. Wages and trade questions, which are often common to various Departments, are dealt with on Government Trade Joint Councils.

Departmental Joint Councils

5. The constitution of a Departmental Joint Council provides :—

(1) that the members of the Official Side shall be appointed by the Department concerned, except as to one representative appointed by the Minister of Labour and National Service, and that the members of the Trade Union Side shall be appointed by the Trade Unions having members employed in the various establishments of the Department ;

(2) that the representatives shall serve for one year and be eligible for re-appointment by the Department (or the Minister of Labour and National Service) or Trade Unions as the case may be ;

(3) that the Council may delegate special powers to any committee it appoints ;

(4) that the Chairman shall be a member of the Council appointed by the Department concerned and the Vice-Chairman a member appointed by the Trade Union Side of the Council

and that a Secretary shall be appointed from each side of the Council. (In the case of some Councils it has been the practice for the Chairman to be a Minister and in the case of others a senior officer of the Department) ;

(5) that decisions of the Council shall normally be by agreement but a vote may be taken by show of hands or otherwise as may be determined, no resolution being regarded as carried unless it has been approved by a majority of the members on each side of the Council. (For many years there has been no instance of voting) ;

(6) that the Trade Unions or Groups of Trade Unions shall be responsible for the travelling and other personal expenses of their representatives attending meetings of the Council or its Committees.

Each of the larger employing Departments has a Departmental Joint Council. Councils have not been set up in the case of certain Departments employing only a small number of industrial work-people. In such cases negotiations take place with the Trade Unions direct.

Trade Joint Councils

6. The constitution of a Government Trade Joint Council provides that the members of the Official Side shall be appointed by the Ministers of the Departments concerned (including the Treasury and the Ministry of Labour and National Service) and that the members of the Trade Union Side shall be appointed by the Trade Unions having members in the various establishments.

The other provisions in the constitution are similar to those contained in the constitution of a Departmental Joint Council.

7. The Shipbuilding Trade Joint Council deals with the wages of the various classes of industrial employees of the Admiralty. Similarly the Forestry Commission Industrial and Trade Council is concerned, in its functions as a Trade Council, with the wages of industrial employees of the Commission only. On the other hand the Engineering Trades Joint Council and the Miscellaneous Trades Joint Council deal with wages matters affecting various Departments (e.g., Ministry of Supply, War Office, Air Ministry, and Ministry of Works). In these cases matters affecting a single Department are frequently dealt with by direct discussion with the Union or Unions concerned, while the Councils deal with matters of common concern to several Departments or matters which cannot be settled by Departmental negotiation.

8. If a settlement cannot be reached on the appropriate Trade Joint Council the matter is referred by joint agreement to the Industrial Court for settlement. The constitution of the Forestry Commission Industrial and Trade Council contains a special

provision that if the Council has failed to agree on an issue of a general character affecting other Government Departments, and thus coming within the purview of a Trade Joint Council or of the Joint Co-ordinating Committee, either side may raise the matter on that Council or Committee ; other matters on which agreement cannot be reached may be referred to the Industrial Court in the normal way.

Joint Co-ordinating Committee

9. Shortly after the establishment of the Departmental Joint Councils and the Trade Joint Councils it was decided to set up a Joint Co-ordinating Committee for Government Industrial Establishments for the consideration of general service questions affecting Government industrial employees generally. The Official side of this Committee consists of representatives of the various employing Departments and of the Treasury and the Ministry of Labour and National Service. The Trade Union Side is composed of representatives of the Engineering, Shipbuilding and Miscellaneous Trades Joint Councils.

10. Below is a list of the various Councils in active operation.

Departmental Joint Councils:—

Admiralty Industrial Council.

Air Ministry Industrial Whitley Council.

Ministry of Supply Joint Industrial Council.

Ministry of Works Departmental Joint Industrial Council.

H.M. Stationery Office Departmental Industrial Whitley Council.

War Department Industrial Council.

Royal Mint Joint Industrial Council.

Trade Joint Councils:—

Engineering Trades Joint Council for Government Industrial Establishments.

Miscellaneous Trades Joint Council for Government Industrial Establishments.

Shipbuilding Trade Joint Council.

Departmental and Trade Joint Council:—

Forestry Commission Industrial and Trade Council.

Co-ordinating Committee:—

Joint Co-ordinating Committee for Government Industrial Establishments.

LOCAL AUTHORITY SERVICES

11. There are a number of Whitley Councils covering Local Authority Services. These include :—

(1) The National Joint Council for Local Authorities' Services (Manual Workers).

(2) The National Joint Council for Local Authorities' Administrative, Professional, Technical and Clerical Services.

(3) The National Joint Council for County Council Roadmen.

(4) The National Joint Industrial Council for Local Authority Services (Scotland), Manual Workers.

(5) The National Joint Industrial Council for Local Authority Services (Scotland). Administrative, Technical and Clerical Staffs.

(6) The National Joint Council for Local Authorities' Fire Brigades in Great Britain.

12. Municipal Road Transport is covered by the National Joint Industrial Council for the Road Passenger Transport Industry which is described in paragraphs 89-90. There is also a Joint Industrial Council covering Water Supply, but this is not exclusively a Local Authority Service.

13. Engineering Craftsmen and Building and Civil Engineering Workers employed by Local Authorities are covered, with certain exceptions, by the Joint Negotiating Committee for Local Authorities' Services (Engineering Craftsmen) and the Joint Negotiating Committee for Local Authorities' Services (Building and Civil Engineering Craftsmen).

The National Joint Council for Local Authorities' Services (Manual Workers)

14. The Council covers all manual workers in the employment of Local Authorities in England and Wales other than those workers whose wages and working conditions are subject to regulation by other properly constituted and recognised joint negotiating machinery.

The Council was formed in April, 1919, under the title National Joint Industrial Council for Local Authorities' Non-Trading Services (Manual Workers) and arranged for the division of the country into a number of areas and for the formation of a Provincial or District Council in each area. The National Council consists on the Employers' Side of representatives appointed by the Association of Municipal Corporations, the County Councils Association, the Urban District Councils Association, The Rural District Councils Association, the London County Council, the Employers' Sides of the Provincial Councils and the National Joint Council for County Council Roadmen (Employers' Side). The Workers' Side is represented by the National Union of General and

Municipal Workers, the National Union of Public Employees and the Transport and General Workers' Union. The functions of the Council are to secure the largest possible measure of joint consideration and determination of the wages, hours and working conditions of the workers within its scope and to consider such proposals in reference to those matters as are submitted to it from time to time by the Provincial Councils. Among its more specific objects are the provision of machinery for the regular consideration of wages, hours and working conditions, measures for securing recognition by all Local Authorities and employees of agreements and the settlement of such differences either between the Employers' and Employees' Sides of a Provincial Council or between Local Authorities and their workers as may be referred by the Provincial Council or the Ministry of Labour and National Service to the Council. Differences referred to the Council are dealt with by an Appeals Committee consisting of representatives from each side of the Council whose decision is final.

15. Until 1947 the settlement of wages and working conditions was in general left to the Provincial or District Councils although the National Council had made recommendations in regard to war bonuses and other matters. In March, 1947, however, the National Council concluded an agreement providing for consolidated standard wage rates for labourers and for the classification of Local Authorities into two zones, the rates in Zone A being generally higher than those in Zone B. The allocation of Local Authorities to the appropriate zones is a matter for the Provincial Councils. In January, 1949, the Council concluded a national agreement on working conditions and wage rates for all standard classes of labour.

Provincial or District Councils

16. There are sixteen Provincial or District Councils covering the following areas :—

The administrative County of London, North Metropolitan, Middlesex, South Midlands, East Midlands, West Midlands, Southern Home Counties, South Western, Eastern, Western, Northern, North Western, West Riding of Yorkshire, North Wales, North and East Ridings of Yorkshire, and South Wales and Monmouthshire.

The constitutions of the various area Councils are similar. The Councils consist of representatives of the constituent Local Authorities within the area and representatives of the various Trade Unions.

17. The functions of the various Councils differ slightly, but in the main they are to consider any matters referred to them by the National Council and take executive action within the area in connection with decisions arrived at by the National Council or on matters deputed to the Council by the National Council ; to

make recommendations to the National Council ; to consider the zoning of Local Authorities within the area and the grading and classification of labour ; to take executive action in relation to such matters, subject to the right of the National Council to veto any such action if it be found to involve the interest of other districts ; to act as a Conciliation Board at the request of both parties to a dispute and (1) to investigate the full facts relating to such difference, (2) to make and communicate to the parties the recommendations of the Council, (3) to use all available means of settling the difference and of preventing a strike or lock-out, (4) to refer the difference to the National Council where the area Council is unable to settle the case, and (5) to take steps to ensure that no strike, lock-out or arbitration shall take place until the matter has been enquired into and considered by the National Council.

18. The Provincial Council for South Wales and Monmouthshire was not established until February, 1952. Before that there was no negotiating machinery for the area as a whole, but there were Joint Wages Boards in Glamorgan and Monmouth which negotiated terms and conditions of employment for certain Local Authority manual workers and these Boards are still in existence.

The National Joint Council for Local Authorities' Administrative, Professional, Technical and Clerical Services

19. The National Council consists, on the employers' side, of 15 members appointed by the Association of Municipal Corporations, the County Councils Association, the Urban District Councils Association, the Metropolitan Boroughs' Standing Joint Committee and the Rural District Councils Association and 15 appointed by and from the employers' sides of each of the existing Provincial Councils. The staff side consists of 15 members nominated by the National and Local Government Officers Association, the National Union of General and Municipal Workers, the National Union of Public Employees, the Transport and General Workers' Union and the Confederation of Health Service Employees, and 15 appointed by and from the staff side of each of the existing Provincial Councils.

20. The scope of the Council covers all the administrative, professional, technical and clerical staffs of Local Authorities in England and Wales except :—

(a) all clerks of Local Authorities and the following chief officers, namely, accountants and treasurers, engineers and surveyors, chief education officers and architects, and such other chief officers as may hereafter be excepted by agreement between the Council and the bodies participating in the Joint Negotiating Committee for chief officers of Local Authorities ;

(b) all officers with a salary exceeding £1,000 per annum

inclusive of consolidation addition but exclusive of London "weighting" allowance ;

(c) all officers and servants for whom a joint industrial council or other similar body exists for the time being ;

(d) all part-time officers and servants other than those employed regularly for less than 38 hours each week by a single Local Authority ;

(e) the technical staffs of public utility undertakings who come within the purview of any national and district organisation relative thereto.

Note: Officers excluded under (a) and (b) (other than Clerks of County Councils) are dealt with by the Joint Negotiating Committee for Town Clerks and District Council Clerks and the Joint Negotiating Committee for Chief Officers of Local Authorities.

21. The function of the National Council is generally defined as "to secure the largest possible measure of joint action for the consideration of salaries, wages and service conditions of the officers within the scope of the Council, and to consider such proposals in reference to these matters as are submitted to it from time to time by the Provincial Councils". It may take any action falling within the scope of this definition and among its more specific objects is the provision of machinery for the regular consideration of salaries, wages and service conditions, and measures for securing recognition of wages agreements by all Local Authorities and officers. Provision is also made for the settlement of such differences, either between the Employers' and Employees' sides of a Provincial Council or between Local Authorities and their officers, as may be referred to the Council.

22. The settlement of salaries and working conditions, was, until the end of 1945, in general a matter for the Provincial Councils although the National Council made recommendations to Provincial Councils about office hours and annual leave during the war and about war bonuses. In January, 1946, a National Scheme of Conditions of Service was agreed through the National Council, which includes recommendations on scales of salaries and on recruitment and training and general conditions of service, including methods of promotion.

Provincial Councils

23. At a meeting of the National Council held on 22nd April, 1940, it was reported that the chain of Provincial Councils throughout England and Wales had been completed, covering the following areas :—

The administrative County of London, South Metropolitan, North Metropolitan, Middlesex, South Midlands, East Midlands, West Midlands, Southern Home Counties, South Western,

Eastern, North Eastern, Yorkshire, Lancashire and Cheshire, North Wales, and South Wales.

On the Provincial Councils the representatives on the employers' side of each Council are elected from the affiliated Local Authorities within the area. The representatives on the staff sides of the Provincial Councils are chosen from among the following organisations, but all the organisations are not necessarily represented on each Provincial Council :—

National and Local Government Officers Association.

National Union of Public Employees.

National Union of General and Municipal Workers.

Transport and General Workers' Union.

Confederation of Health Service Employees.

The functions of the various Councils are as follows :—

To consider any matters that may be referred to them by the National Council and to take executive action in connection with decisions arrived at and matters deputed to them by the National Council ; to make recommendations to the National Council ; to consider differences between parties and sections of the Service with a view to settlement and in the event of any difference not being settled, to refer the matter to the National Council for decision.

The National Joint Council for County Council Roadmen

24. This National Council was set up in July, 1941. Regional Councils are in existence in respect of the following areas :—

Northern, Mid-Eastern, Eastern, South Eastern, North Midlands, South Midland, West Midland, Southern, South Western, Western, North Wales, and South Wales.

25. The following County Councils do not come within the purview of this Council and are in membership of the appropriate Provincial Councils established under the National Joint Council for Local Authorities' Services (Manual Workers) :—

Cheshire, Durham, Glamorgan, Lancashire, Middlesex, Staffordshire, Warwickshire, West Riding of Yorkshire.

26. The National Council consists on the employers' side of representatives appointed as follows :—

One by and from the employers' side of each of the Regional Councils, six by the County Councils Association and four by the employers' side of the National Joint Council for Local Authorities' Services (Manual Workers).

The Trade Unions represented on the workers' side are the Transport and General Workers' Union, the National Union of General and Municipal Workers, the National Union of Public Employees and the National Union of Agricultural Workers.

27. The functions of the National Council are to secure the largest possible measure of joint action for the consideration of wages and working conditions as they apply to County Council roadmen. Among its more specific objects are the provision of machinery for the regular consideration of wages, hours and working conditions; consideration of measures for securing recognition by all County Councils and County Council roadmen of agreements relating to wages and working conditions; the settlement of such differences as may be referred to the Council and the establishment of machinery, where it does not already exist, with the object of preventing disputes and the speedy settlement of differences. When a difference is referred to the Council it appoints representatives to sit as an Appeals Committee, whose decision is final. Failing a decision, the matter in dispute may be referred by either side of the Council to the Minister of Labour and National Service for reference to arbitration.

28. The term "County Council roadmen" includes all workmen employed wholly upon or in connection with county roads either by a County Council or by the Council of any county district to whom powers have been delegated under Section 35 of the Local Government Act, 1929, with the exception of all such workmen as are employed upon county roads in any borough or urban district directly by the Council of the borough or urban district and are paid by that Council. Until 1947 the consideration of hours, wages and working conditions was a matter for the Regional Councils but in August, 1947, national rates of wages were adopted. For this purpose each area (outside the London area, for which a special rate is agreed) falls into one of two zones for which different basic rates apply.

Regional Councils

29. When framing its own constitution and functions the National Council also framed the constitution and functions of the Regional Councils. Each Council consists on the employers' side of representatives appointed by the County Councils within the area from amongst their own respective members and officers. The workers are represented in each case by the Transport and General Workers' Union, the National Union of General and Municipal Workers and the National Union of Public Employees; and, in the case of certain Regional Councils, by the National Union of Agricultural Workers.

30. The functions of the Regional Councils include the consideration of any matters referred to them by the National Council and the taking of executive action in connection with decisions arrived at by the National Council, or on matters delegated to them by the National Council. For the settlement of differences between Authorities and their workpeople it is provided that the Regional Council shall act as a Conciliation Board at the request of either party, make recommendations, use all available means for settling

the difference and preventing a strike, lock-out or cessation of work, and take steps to ensure that no strike, lock-out or cessation of work shall take place until the matter has been enquired into and considered by the National Council. Any differences not settled by the Regional Council must be referred, either upon an agreed statement or upon an ex parte statement by either party, to the National Council. The same applies to any difference which arises between the two sides of a Regional Council.

The National Joint Industrial Council for Local Authority Services (Scotland). Manual Workers

The National Joint Industrial Council for Local Authority Services (Scotland). Administrative, Technical and Clerical Staffs

31. These two Councils were established in 1937 and their functions, which are identical in relation to their respective spheres, are in the main as follows :—

To secure the largest possible measure of joint action between employers and employed for the development of the Services concerned and for the improvement of the conditions of all engaged therein ; the provision of machinery for the regular consideration of remuneration, hours and conditions of service, and measures for regularising the Services and employment ; the settlement of differences between parties and sections in the Services, and the establishment of machinery for this purpose, where it does not already exist, with the object of securing speedy settlement.

There are, at present, no District Councils as in the case of the similar Councils covering England and Wales, although the constitutions provide for their establishment.

32. On the employers' side each Council consists of representatives of the Scottish Counties of Cities Association, the Convention of Royal Burghs of Scotland and the Association of County Councils in Scotland. The workers' sides are represented as follows :—

(1) *Manual Workers' Council*—National Union of General and Municipal Workers, Scottish Horse and Motormen's Association, National Union of Public Employees, and Transport and General Workers' Union.

(2) *Administrative, Technical and Clerical Staffs' Council*—National and Local Government Officers Association, Clerical and Administrative Workers' Union, National Union of Public Employees, National Union of General and Municipal Workers, and Transport and General Workers' Union. (*Note: a Joint Negotiating Committee for Chief Officials of Local Authorities (Scotland) was set up in 1952).*

33. The Manual Workers Council has issued a Schedule of Basic Rates of Pay, under which the Local Authorities are divided into two Groups, with a different rate for each Group, and a Schedule of

Working Conditions which provides a comprehensive statement of working conditions. These Schedules apply to all Local Authorities in Scotland.

34. The Administrative, etc., Staffs Council has issued a Scheme of Salaries and Conditions of Service for the Administrative, Clerical and Technical Staffs applicable to all Local Authorities in Scotland.

Both Councils have dealt with many local questions arising out of the application of their recommendations, and through their Appeals Committees have provided a means for settling disputes.

The National Joint Council for Local Authorities' Fire Brigades in Great Britain

35. This Council covers members of Fire Brigades in Great Britain maintained in pursuance of the Fire Service Act, 1947, except Chief Officers of Fire Brigades. The Council consists, on the employers' side, of representatives of the County Councils' Association, the Association of Municipal Corporations, the London County Council, the Convention of Royal Burghs, the Association of County Councils in Scotland and the Scottish Counties of Cities Association, and on the employees' side, of representatives of the National Association of Fire Officers, the Fire Brigades Union and the National Union of General and Municipal Workers.

36. The functions of the Council are to consider and make recommendations to the Secretary of State with regard to the conditions of service of members of Fire Brigades coming within the scope of the Council and in particular with regard to:—

(a) rank, pay and allowances ;

(b) hours of duty and leave ;

(c) maintenance of discipline ; and

(d) appeals against dismissal or disciplinary action, including dismissal on disciplinary grounds, other than questions of discipline affecting individuals.

Provision is made in the constitution for differences which the Council is unable to settle to be referred, at the request of either side of the Council, to the Minister of Labour and National Service for submission to any of the forms of arbitration provided by the Industrial Courts Act, 1919, as he may decide.

Recommendations of the Council are considered by the Secretary of State and, if approved, are made the subject of Regulations under Section 17 of the Fire Services Act, 1947.

Chief Officers are dealt with by a separate body—the National Joint Council for Chief Officers of Local Authorities' Fire Brigades in Great Britain.

COALMINING

37. The information included in this section relates to the joint arrangements operative for colliery workers employed in the actual mining of coal, and also makes reference to the agreed procedure for workers employed by the National Coal Board at coke and by-product plants. The section does not refer to joint arrangements which exist for certain other manual and staff workers in activities associated with the coalmining industry, or with any other section of employees of the Board.

38. Section 46 of the Coal Industry Nationalisation Act, 1946, imposes on the National Coal Board the duty of entering into consultation with organisations appearing to them to represent substantial proportions of the workers in their employment, with a view to establishing joint machinery for the settlement of terms and conditions of employment and for consultation on questions of safety, health and welfare, and the organisation and conduct of the operations in which such persons are employed.

39. The present conciliation procedure between the National Coal Board and the National Union of Mineworkers for the first category of workers referred to above rests upon two agreements. The first of these is dated 5th December, 1946. This adopts the conciliation machinery set up at national and district levels, under the National Conciliation Scheme established by the Mining Association of Great Britain and the Mineworkers' Federation of Great Britain in 1943, with such modifications as were necessitated by the passing of the Coal Industry Nationalisation Act, 1946, the constitution of the Board thereunder, and the substitution of the new name of the Union, viz. the National Union of Mineworkers. The second agreement of 1st January, 1947, provides for the establishment of a uniform pit conciliation scheme to complete the structure.

40. The outstanding feature of the conciliation procedure in the industry is the provision at each of three levels, namely, pit, district and national, of machinery for negotiation, and, where this fails, of arbitration as a final step. Thus, a purely pit dispute which cannot be settled through the procedure described below is referred to an Umpire who arbitrates in accordance with the provisions of the Pit Conciliation Scheme. District questions not cleared by the district negotiating machinery are settled by a District Referee whose appointment is provided for by the District Conciliation Agreement. Similarly, national questions which cannot be settled by agreement are referred for decision to a National Reference Tribunal, appointed under the National Conciliation Scheme. There is provision in certain cases for the transfer of questions from pit to district and from district to national level.

The detailed procedure is set out in the following paragraphs.

Pit Disputes

41. Machinery for dealing with disputes arising at pit level was established by the agreement of 1st January, 1947. Any dispute not settled by direct discussion between the men concerned and their immediate officials or with the management within three days is reported to the local Trade Union Official, who may discuss it with the Management and in the absence of a settlement report it to a Pit Meeting consisting of representatives of the Board and of the Trade Union. Failing settlement by this means it may be referred to a Disputes Committee appointed by the District Conciliation Board (see below), and, if no agreement is reached, to an Umpire (chosen from a Panel of Umpires appointed by the District Conciliation Board) for final decision. If the Umpire is not satisfied that the matter is a pit question he must refer it to the District Conciliation Board.

District Disputes

42. The agreement of December, 1946, provides for the establishment of District Conciliation Boards consisting of representatives of the National Coal Board and the Union. Each District has an agreement making provision for a District Conciliation Board, for the appointment of a District Referee, and for making the settlements reached by the District Conciliation Board and the Awards and decisions of the District Referee binding on the National Coal Board and on the Union.

Under the District Agreements disputes or questions affecting the District as a whole are considered, in the first place, by the District Conciliation Board, and failing agreement are referred to the District Referee for final decision. It is further provided that District questions which are of a character making transfer from the District to the National machinery desirable, will be transferred to the National Conciliation Board referred to in the next paragraph. Such transfer takes place whenever both parties in the District or the Joint National Negotiating Committee or the National Reference Tribunal so decide.

National Disputes

43. The agreement of December, 1946, also provides for the establishment of a National Conciliation Board consisting of a Joint National Negotiating Committee and a National Reference Tribunal.

The Negotiating Committee consists of not more than 16 members nominated by the National Coal Board and not more than 16 members nominated by the National Union of Mineworkers, and is designed to afford an opportunity for the discussion and settlement of questions by the industry itself. It deals with and attempts to settle all national questions together with any matters transferred to it from District Conciliation Boards.

The National Reference Tribunal consists of three permanent members, not engaged in the Coalmining Industry, appointed by the Master of the Rolls after consultation with the National Coal Board and the Union. The Tribunal provides within the National Conciliation Board facilities for the purpose of settling by arbitration questions not resolved by the Negotiating Committee.

Matters within the scope of the National Conciliation Board include any question referred by the Minister of Fuel and Power for decision or report.

Coke and By-Product Plants

44. The Conciliation Scheme for coke and by-product plants of the National Coal Board provides machinery at plant, district and national levels similar to that of the coalmining industry scheme described above. At the plant level provision is made for the various stages of direct discussion, Plant Meetings, a Dispute Committee and an Umpire; at the district level there is a District Conciliation Committee and a District Referee and, at the National level, a National Conciliation Board, consisting of a National Joint Council and a National Reference Tribunal.

Wages in the Mining Industry

45. The present wage structure still reflects to some extent the pre-1944 methods of regulating wages. Until that year there were two main elements in wages, namely basis rate and percentage addition. While basis rates for timework or piecework were generally fixed for a seam or a colliery, to meet the particular conditions found there, the percentage addition was determined for large areas known as wage districts and allowed for changes in the economic condition of the industry. Within a wage district the percentage addition at any given time was uniform. It fluctuated, however, according to "district wages ascertainment" which periodically assessed the net proceeds of each district (after deducting costs of production other than wages) and divided them in a pre-determined proportion between wages and profits. From the wages portion the total already paid in basis rates was subtracted; the balance was expressed as a percentage addition to the basis rates. An additional feature of this system was some kind of district "minimum wage", usually a minimum percentage addition to basis rates.

46. This system, based on "district ascertainment", lasted until 1944, but was considerably modified by the operation of National Agreements. The 1940 War Addition to Wages Agreement was designed to meet variations in the cost of living due to war-time conditions, and provided for the introduction of periodic uniform flat-rate increases per shift for both piece-workers and time-workers, calculated in accordance with changes in the Cost of Living Index. This agreement was terminated in 1950 after it

had become largely inoperative when the old Cost of Living Index went out of use in 1947. The second major modification resulted from a National Award made by a Board of Investigation under Lord Greene in 1943. It introduced for the first time a national weekly minimum wage for surface and underground adult workers, which in a number of districts involved "making-up" wages of the lower paid workers to the national minimum. The effect of this was to telescope many existing differentials between grades at the lower end of the scale, and to narrow the gap between the lowest and highest paid workers. At the same time it tended towards equalization of the wage levels in different districts. A national minimum wage for juveniles was introduced later. The "district ascertainties" system was discontinued in 1944 under an agreement between the Mining Association and the Mineworkers' Federation; existing percentage additions were merged into basis rates to form consolidated local or district rates which were stabilised or "frozen" for a minimum period of 3½ years, except for changes required by altered methods or conditions of working and by the operation of the "War Addition to Wages Agreement."

47. By the Carry Over Agreement of December, 1946, the National Coal Board took over the agreements and settlements on which this wages structure was based. In January, 1947, Pit Conciliation Machinery was established, and six months later applications for changes in rates at pit level became permissible. This meant that while the wages of nearly all timeworkers continued to be regulated by national agreement, pieceworkers could seek changes at pit level. Apart from the effect of changes in the minimum wage, pieceworkers did not participate in subsequent national wage increases until November, 1951.

48. In May, 1947, the Five-Day Week Agreement was introduced, providing for a bonus payment to all workers attending five normal shifts; a day-wage worker received his day-wage rate in bonus, a pieceworker 16 per cent. of his [aggregate] weekly earnings. This agreement introduced a uniform working week of five days and at the same time encouraged full attendance.

49. From 1947 to 1951 there were four National Agreements providing for general increases in wages. Under these Agreements national minimum rates have been increased, while provisions for "ceiling rates" have prevented the higher day-wage rates from rising above certain specified figures. This has further reduced differentials and has to some extent equalised the day-wage rates in different districts for similar work. As local changes in day-wage rates were virtually prohibited after 1944, these National Agreements have enabled some progress to be made towards the establishment of uniform rates for similar jobs in different districts. In addition, national uniform rates or rate ranges have been introduced for special classes of day-wage men such as craftsmen, winding-engine men and shot firers.

50. In this period piece-rates were negotiated locally in accordance with changes in circumstances until November, 1951, when pieceworkers received the same flat-rate increase as underground day-wage men. Piecework rates were then temporarily stabilised to allow consideration of a national policy for piecework rates.

51. A degree of uniformity has been introduced into certain aspects of mineworkers' pay and conditions by National Agreements, such as the Guaranteed Wage Provisions, the Annual and Statutory Holidays Agreements and the Extension of Hours Agreement.

52. An agreement for " ancillary workers " segregated from the mining industry many classes of workmen previously conditioned to mineworkers' agreements. For some, e.g., coke workers and briquette workers, separate conciliation machinery and new national wage structures have been agreed; others have been related to the wages and conditions of the most appropriate industry.

RAILWAYS

I. Main Line Railways

53. The Transport Act, 1947, provided for the acquisition, by the British Transport Commission of the majority of railway undertakings in Great Britain, and the Railway Executive is responsible, under the Commission, for their operation. Pending the negotiation of new joint machinery between the Executive and the Trade Unions it was agreed that the machinery in operation prior to nationalisation, and which is described in the following paragraphs, should continue in operation.

54. For the purpose of negotiation of terms and conditions of service the staffs of the Railway Executive fall into five main categories:

(1) the " traffic grades " of locomotive drivers, firemen, motormen, guards, shunters, signalmen, porters, etc., permanent way men, goods and cartage staff and the supervisory and clerical staffs, e.g., stationmasters, clerks, etc.

(2) the " railway shopmen " who are employed in the building and maintenance of locomotives and rolling stock, in running sheds, in the upkeep or construction of stations, signals and telegraphs, tunnels, bridges, ferries, etc., and the " workshop supervisors ", e.g., inspectors and foremen;

(3) employees in electricity generating stations, etc.;

(4) railway police (now associated with other Transport Commission Police Forces); and

(5) professional and technical staff.

(1) The traffic grades and supervisory and clerical staffs

55. The present machinery for the negotiation of terms and conditions of service of the traffic grades and the supervisory and clerical staffs was established in 1935, and is an example of the centralisation of control by means of a comprehensive written constitution.

56. In 1907, an agreement was reached, under the auspices of the Labour Department of the Board of Trade, between representatives of a large number of the companies and the railway Trade Unions having membership in the traffic grades. This agreement provided for the establishment of Conciliation Boards, with final reference to arbitration where necessary, for each of the railways adhering to the scheme, the functions of the Boards being to deal with questions relating to wages and hours of work which could not be settled by direct negotiation. (Clerical and supervisory staffs were not covered by these Boards.)

57. Unrest and a national strike of railwaymen in 1911 led to the appointment of a Royal Commission to investigate the workings of the Conciliation Agreement of 1907. Following the report of the Commission, the scheme was revised in December, 1911. Under the revised scheme, questions or differences arising were first dealt with by means of deputations of the men concerned, and failing settlement in this manner, questions relating to wages, hours and conditions of work (but not management or discipline) were referable to Conciliation Boards. The Chairman of a Board was selected by the parties, or, failing their agreement, by the Board of Trade, and his decision was final on all matters on which the parties failed to agree. By the end of 1913, chairmen had been appointed for the Conciliation Boards of thirty companies, including all the principal companies except one which had a different kind of conciliation scheme.

58. On the outbreak of war in 1914, the Government took control of the railways, but the new conciliation machinery continued to function until the end of the war. In 1919 and 1920, when the railways were still under Government control, a series of national agreements was entered into between the Railway Executive Committee (acting on behalf of the Government) and the railway Trade Unions, relating to rates of pay and conditions of service of the traffic and clerical grades.

59. In 1921, the Railways Act of that year effected a scheme for the reorganisation and regulation of the railways. It provided for the amalgamation or absorption of about 120 companies into four groups which became the four main line railway companies. As part of this reorganisation, Sections 62 to 66 of the Act gave effect to a scheme which had been voluntarily agreed upon by the companies and the Unions for the settlement of disputes as to pay and

conditions of service. The Act provided for the first time for the inclusion of clerical and supervisory staffs—up to a certain salary limit, in negotiating machinery. The main features of the scheme embodied in the statute were :—

(1) Each railway company was to have one or more councils consisting of officers of the company and representatives elected by the men employed by the company, the constitution and functions of the councils to be determined by a committee consisting of six representatives of the general managers and six representatives of the railway Trade Unions. Under this provision Local Departmental Committees and Sectional Railway Councils were established in each of the companies.

(2) In default of agreement between the companies and the Unions, all questions as to pay and conditions of service were required to be referred to a Central Wages Board composed of eight representatives of the companies and eight representatives appointed by the Unions.

(3) Appeal from the Central Wages Board lay to a National Wages Board composed of six representatives of the companies, six representatives appointed by the Unions, four representatives of "users of railways", and an independent Chairman nominated by the Minister of Labour.

60. The statutory machinery was used until 1934, but it proved cumbersome in operation in the higher stages, and the National Wages Board had, as the board of appeal, been called on to give a large number of decisions on small issues, and even individual cases as well as on major issues. In 1933 dissatisfaction with the machinery led the companies to take advantage of a provision of the Act which enabled the machinery to be terminated by notice, and they proposed a new scheme to the Unions. After lengthy negotiations, the companies and the Unions (the National Union of Railwaymen, the Associated Society of Locomotive Engineers and Firemen, and the Railway Clerks' Association*) concluded a written Agreement in 1935, establishing the machinery which is known as "Machinery of Negotiation for Railway Staff, 1935", which is still operative.

61. The Machinery provided for the continuance of the Local Departmental Committees and Sectional Councils and defined their functions.

62. Local Departmental Committees have as their object to be "a recognised means of communication between the employees and the Local Officials of the Railway Company and to give the employees a wider interest in their work and the conditions under which it is performed, with a view to the maintenance, development and economical working of the Railway Company's busi-

* Now the Transport Salaried Staffs' Association.

ness " ; and the function of a Local Departmental Committee is " to consider any suggestions which may be referred to it regarding such matters as :

- (1) arrangement of link working and transfers from link to link or from depot to sub-depot, and *vice versa* ;
- (2) arrangements of working hours, meal intervals, etc.;
- (3) holiday arrangements ;
- (4) safety appliances, first-aid, staff accommodation, etc.;
- (5) labour saving appliances, etc.;
- (6) improvements in working methods and organisation ;
- (7) measures intended to retain existing traffic or to secure new traffic ".

63. The function of a Sectional Council is to consider subjects affecting the grades of staff allocated to the section such as :—

- (1) Applications upon which there has been failure to agree at Local Departmental Committees or by Local Representatives ;
- (2) the local application of national agreements relating to standard salaries, wages, hours of duty and other standard conditions of service ;
- (3) applications for reclassification or regrading of posts.

Any question which has been dealt with at a Sectional Council but not disposed of, and any proposal to vary a national agreement may be submitted to discussion between the railway companies (now the Railway Executive) and the railway Trade Unions. Questions other than minor questions not disposed of may be referred to the Railway Staff National Council (see below).

64. The Machinery avoided the use of the statutory Central Wages Board and National Wages Board by providing new and different machinery designed to settle matters which cannot be settled by agreement between a company or companies (now the Railway Executive) and the Union or Unions concerned. The new machinery comprised :

- (1) the *Railway Staff National Council*, which has a constitution similar to that of the former Central Wages Board. The function of the Council is to consider questions, other than minor issues, as to the standard salaries, wages and hours of duty and other standard conditions of service. Before a matter can be referred to the Council it must have been the subject of prior discussion at a joint meeting of the Unions and the Railways Staff Conference. Issues not decided by this Council may by consent of both sides be referred, according to their nature, to the Railway Staff National Tribunal or to the Chairman of that Tribunal ; and

(2) the *Railway Staff National Tribunal*, which is composed of only three members, one being selected by the Railway Executive, one by the Trade Unions and one, the Chairman, being appointed by agreement between the Railway Executive and the Unions, or, failing such agreement, by the Minister of Labour and National Service after consultation with the Railway Executive and the Unions. The two members selected by the Railway Executive and the Unions respectively are selected from two panels previously nominated by them from persons not connected with the Railways or Railway Unions and a fresh selection is made for each case coming before the Tribunal. Provision is made for the Tribunal to be assisted by direct representatives of the parties sitting as assessors but with no right to participate in the proceedings, otherwise than to put questions for the purpose of elucidating matters of fact. The function of the Tribunal is to decide issues as to standard salaries, wages, hours and other standard conditions of service which have not been settled by the Railway Staff National Council and which have been agreed or decided in a prescribed manner to be "issues of major importance".

65. Provision is made in the agreement for reference to and decision by the Chairman of the Tribunal sitting alone of issues involving interpretation of a national agreement and issues not involving such interpretation and not being minor issues which have not been settled by the Railway Staff National Council. Such a reference may be made only by consent of both sides.

The Railway Staff National Tribunal and its Chairman when acting alone are in the nature of arbitral authorities. There is no provision in the Machinery of Negotiation for Railway Staff, 1935, to bind the parties to accept decisions of the full Tribunal, but it has been agreed between the parties to the Machinery that decisions given by the Chairman when acting alone shall be binding. The Machinery of Negotiation for Railway Staff, 1935, provided that "in no circumstances shall there be any withdrawal of labour or any attempt on the part of employees to hamper the proper working of the railway until any matter in dispute has been submitted through the proper channels to the higher management, or, if such matter is within the scope of the Machinery of Negotiation, until the provisions thereof have been fully utilised."

66. Under the machinery described in the foregoing paragraphs, the basis of the regulation of the wages and salaries of the railway traffic and clerical grades continues to be national agreements between the Railway Executive and the Union or Unions concerned.

The agreements provide for detailed differentiations in rates of pay between the employees according to their occupations and to grades or classes within the occupational groups; and in most

cases there is a geographical differentiation as between London and the provinces. The machinery exists to deal with questions upon which agreement has not been found possible, and it has been freely used.

67. There is an agreement between the Railway Executive and the railway Trade Unions providing procedure in the case of an employee who is charged with misconduct, neglect of duty or other breeches of discipline.

(2) Railway Shopmen

68. Railway shopmen are engaged in the building and maintenance of locomotives and rolling stock, in running sheds, in the upkeep or construction of stations, tunnels, bridges and ferries, etc. They are organised in the National Union of Railwaymen and the Unions forming the Confederation of Shipbuilding and Engineering Unions. The craft Unions thus concerned include the Amalgamated Engineering Union, the United Society of Boilermakers and Iron and Steel Shipbuilders, the Amalgamated Union of Foundry Workers, the Electrical Trades Union, the National Union of Vehicle Builders, and some of the Building industry trade unions.

69. Before 1927 negotiations in regard to wages and conditions of employment were conducted between the railway companies and the various Unions having members in the shops; but there was no conciliation machinery for railway shopmen, although attempts had from time to time been made to establish such machinery. In 1927, however, an agreement was made between the companies and most of the Unions concerned to set up a scheme to afford full facilities for the discussion and settlement of all questions relating to rates of pay, hours of duty and general conditions of employment for the shopmen. The agreement provided for Shop Committees, Works Committees, Departmental Line Committees and a National Council.

The procedure laid down in the agreement is as follows:—

“An employee or group of employees in a shop desiring to raise any question within the scope of this scheme . . . shall, in the first instance, make representations to the foreman of the shop in which he or they are employed. If the answer to the application is not regarded as satisfactory, the employee or groups of employees may (1) at those places where there is a Shop Committee refer the application to that body or (2) at those places where there is no Shop Committee refer the matter to the appointed representative, who may discuss it with the local management. Matters which are not settled by a Shop Committee may be referred to the Works Committee, or if there is no Works Committee at the place, may be discussed between the District Staff Officer of the Trade Union concerned and the local railway management, or may be referred to the head of the Department by the Secretary of the Shop Committee. At

places where there is no Shop Committee, matters not settled by the appointed representative with the local management may be referred by him to the Departmental Line Committee . . . Matters coming within the scope of this scheme which are not settled by the Works Committee or Departmental Line Committee may, if desired, be discussed between the District Staff Officer of the Trade Union concerned and the local railway management, or between the Headquarters officials of the Trade Unions concerned either jointly or severally and the General Manager of the Company. If the Trade Unions acting for railway shop employees desire to raise any questions of a national character within the scope of this scheme they shall take the matter up jointly with the General Managers of the Railway Companies parties hereto ”.

The agreement further provided for the establishment of a Railway Shopmen's National Council for dealing with national questions within the scheme. On the nationalisation of the railways the Railway Executive agreed with the Trade Unions that the existing machinery of negotiation should continue pending the completion of a new agreement. The Council is at present composed of representatives of the Railway Executive and representatives of the Confederation of Shipbuilding and Engineering Unions and the National Union of Railwaymen. Other questions within the Scheme upon which the Railway Executive and the Trade Union or Unions concerned have failed to reach agreement may also be referred to the National Council. The agreement provides that where the parties fail to reach agreement but are prepared to submit to arbitration, the reference to arbitration shall be to the Industrial Court.

70. The Workshops Supervisors have a separate Scheme of Machinery of Negotiation, the parties to which are the Railway Executive on the one hand and the Transport Salaried Staffs Association, the Association of Supervisory Staffs, Executives, and Technicians, the National Union of Railwaymen and the Confederation of Shipbuilding and Engineering Unions on the other hand.

The Scheme was established in 1932 and is to afford full facilities for the discussion and settlement of all questions relating to the rates of pay, hours of duty and conditions of service (other than matters of management and discipline) of Male Workshop Supervisory Staff employed by the former main line railway companies. The Scheme provides for the establishment of Line Committees (not exceeding four in number on each railway) whose functions are to deal with all matters referred to them in accordance with the Scheme. A Railway Workshop Supervisory Staff National Council is also established for dealing with national questions. Within the scope of the Scheme, matters of general interest involving questions of principle or matters which affect more than one railway, which have not been settled by the Line Committees,

may also be referred to the Council. In 1947 the Scheme was amended to provide for the establishment also of Local Departmental Committees.

(3) Electricity Generating Station Staff

71. An agreement dated 12th June, 1952 (operative from 1st January, 1953), between the Railway Executive on the one hand and the Electrical Trades Union, the National Union of Railwaymen and the Amalgamated Engineering Union on the other hand provides for a revised scheme of machinery of negotiation for wages staff solely employed in railway electricity generating stations and sub-stations, on high tension cables between them and in electrical control rooms and rectifier sub-stations. The agreement provides for Local and Line Committees and a National Railway Electrical Council. The agreement further provides that a question affecting the rates of pay, hours of duty or other standard conditions of service which has been discussed by the National Council but upon which agreement has not been reached may be referred to the Minister of Labour and National Service for reference to the Industrial Court.

(4) Railway Police

72. Section 67 of the Railways Act, 1921, which ceased to have effect on 1st August, 1951, required special arrangements to be made for settling the rates of pay and conditions of service of Railway Police, and a Scheme of Machinery of Negotiation was agreed between the railway companies and the police representatives in 1922, providing for separate railway police conferences.

Section 97 of the Transport Act, 1947, provides for the establishment of a conference, consisting of representatives of the Transport Commission and of the Commission's police forces in equal numbers, to decide questions of hours, pay and conditions of service for those police forces. It further provides that in the event of disagreement an independent chairman (chosen by mutual agreement or failing this nominated by the Minister of Labour and National Service) shall be appointed to give binding decisions.

The prescribed form of machinery of negotiation was established by an agreement of 20th April, 1951, between the Railway Executive, the London Transport Executive, the Docks and Inland Waterways Executive and the representatives of the Police Forces attached to those Executives. The scheme adopted under the agreement covers Inspectors, Sergeants and Constables of the Police Forces of the British Transport Commission and sets up the British Transport Police Force Conference. It also provides for local joint consultation by the establishment of area committees. Any matter on which there is failure to agree at a meeting of an area committee may be referred by either side to the Police Force Conference. A further arrangement under the agreement in connection with the introduction of the scheme is the

formation of the British Transport Police Force Federation which all Police Officers in the Forces concerned of the rank of Inspector, Sergeant or Constable are at liberty to join.

(5) Professional and Technical staff

73. An agreement dated 3rd January, 1947, between the Railways and the Railway Clerks Association (now the Transport Salaried Staffs' Association) provides for a scheme of negotiating machinery for the staff. Arrangements are on the lines of those for other salaried staff, with Local Departmental Committees and Line Committees, (the latter corresponding to Sectional Councils in the main scheme). For questions of a national character provision is made for discussion between the Railways Staff Conference and the Transport Salaried Staffs' Association with provision for reference to the Railway Staff National Tribunal in the event of disagreement.

74. An agreement of 31st October, 1950, between the Railway Executive, the British Transport Officers' Guild and the Transport Salaried Staffs' Association established machinery of negotiation in respect of staff with salaries in excess of £630 but below £1,600 per year who were not covered by any existing negotiating machinery. Provision is made for a joint committee consisting of six representatives of the Railway Executive and three representatives from each of the two organisations, to which questions of a national character may be referred in addition to other questions that have not been disposed of by local negotiation. Questions involving issues of major importance may be referred for decision to the Chairman of the Railway Staff National Tribunal, but minor issues are not carried beyond the stage of discussion by the joint committee.

Joint Consultation

75. An agreement was made in December, 1949, between the Railway Executive and the Trade Unions represented on the "Machinery of Negotiation for Railway Staff, 1935" and the Railway Shopmen's National Council for the introduction of a procedure for consultation between the Executive's officials and the elected representatives of the staff on matters not within the scope of the negotiating machinery. Under this agreement, consultation takes place at levels corresponding to the Local Departmental Committees, Sectional Councils, Shop, Works and Line Committees of the negotiating machinery described above and between the Regional Headquarters of the Executive and the Headquarters of the Trade Unions. It is recognised that consultation may be instigated by either the management or the staff and it is the intention to hold periodical meetings under the procedure to review matters of common interest. Similar provision for joint consultation is made in the Appendix to the agreement dated 12th June, 1952, regarding employees in elec-

tricity generating stations, etc. (see paragraph 71 above). There is also a Joint Advisory Council for Welfare which deals with working amenities, canteens, hostels, hygienic facilities, social and recreational activities, accident prevention and first aid.

II LONDON TRANSPORT EXECUTIVE

76. In accordance with the provisions of Sections 67 and 68 of the London Passenger Transport Act, 1933, and Sections 95 and 96 of the Transport Act, 1947, the London Transport Executive has negotiated a joint agreement dated 25th February, 1948, with the National Union of Railwaymen, the Associated Society of Locomotive Engineers and Firemen and the Transport Salaried Staffs' Association covering the Administrative, Clerical and Technical Staff, the Railway Classified, Supervisory and Booking Office Staff and the Railway Conciliation Staff on the London Transport Executive. The agreement provides for the establishment of (a) a Negotiating Committee and (b) a Wages Board, and sets out procedure for settlement of disputes as to rates of pay and conditions of service in the event of the London Transport Executive and such of the Trade Unions as may be concerned being unable to come to an agreement. (The agreement did not disturb the existing provision for Sectional Councils covering different sections or classes of employees of the London Transport Executive and consisting in each case of representatives of the London Transport Executive and the staff).

77. The Negotiating Committee consists of six representatives of the London Transport Executive, and two representatives from each of the three Trade Unions. Applications made by the Unions and/or the London Transport Executive for the making or revision of agreements and regulations governing the rates of pay, hours of duty and other conditions of service of employees of the London Transport Executive covered by this machinery, are considered by the Negotiating Committee. In the event of the Negotiating Committee being unable to reach agreement the question at issue can, at the instance of the London Transport Executive or the Union, be referred to the Wages Board, it being understood that the representatives of any one of the Unions shall be entitled to require such a question to be so referred.

78. The Wages Board consists of (a) a Chairman appointed by agreement between the parties, or failing such agreement, by the Minister of Labour and National Service, (b) one representative appointed by the London Transport Executive and (c) one representative appointed by the Trade Unions.

No official of the London Transport Executive or official or member of any of the Trade Unions concerned is eligible for

appointment as a member of the Wages Board. The Wages Board may be assisted by representatives of the parties concerned sitting as assessors. The three Unions concerned may jointly nominate one assessor or may each nominate an assessor, and the London Transport Executive may nominate an equal number of assessors to those nominated jointly or separately by the three Unions concerned. The assessors are either officials of the London Transport Executive or officials or members of the three Unions concerned. It is a function of the assessors to advise the Wages Board as the Wages Board may require, but they may not sign the decisions of the Wages Board. The findings of the Wages Board, if not accepted by all parties, are to be considered as soon as possible after they are issued at a joint conference of representatives of the London Transport Executive and of the Unions. No withdrawal of labour or lock-out or interference with efficient operation is to take place until the cause of the dispute has been dealt with in accordance with the foregoing and unless a settlement has not been reached within 28 days after the result of the deliberations of the Wages Board has been published.

Electrical Generation and Distribution Wages Staff

79. The London Transport Executive has negotiated a joint agreement dated 11th February, 1952, with the National Union of Railwaymen, the Electrical Trades Union, the Amalgamated Engineering Union, the National Union of General and Municipal Workers, the National Union of Enginemen, Firemen and Electrical Workers and the Transport and General Workers' Union, covering the electrical generation and distribution wages staff on the London Transport Executive. The agreement provides for the establishment of Shop Stewards Committees, Sectional Joint Committees, a Divisional Joint Committee and a Negotiating Committee, and sets out procedure for the discussion and settlement of all questions relating to the rates of pay, conditions of service and terms of employment. The Negotiating Committee consists of representatives nominated by the London Transport Executive and by the Trade Unions. In the event of the Negotiating Committee being unable to reach agreement, matters may be referred to the Negotiating Committee sitting with an independent Chairman, selected by agreement of both sides, or failing agreement, a person nominated by the Minister of Labour and National Service.

If, after the Negotiating Committee has sat under an independent Chairman, no agreement is reached, the independent Chairman assisted by two Assessors, one nominated by the London Transport Executive and one by the Trade Unions, shall give a decision which shall be binding upon the parties. No withdrawal of labour shall take place during the procedure of negotiation as provided by the agreement.

Joint Consultation

80. The terms of reference of the Sectional Councils provide,

inter alia, for consultation between management and staff on questions of mutual interest. It has become the practice to supplement this machinery in the Railway Operating Department which has more than one Council, by holding periodic joint information meetings, bringing together representatives from different councils. A further development, at higher level, was the establishment in April, 1951, of the London Transport Joint Consultative Committee (Railways), comprising members and officers of the London Transport Executive and executive officers of the Railway Trade Unions.

ROAD TRANSPORT

81. For the purpose of regulating wages and conditions of employment in the road transport industry there are separate schemes of machinery for (a) the haulage of goods by private employers (b) the same work done by the Road Haulage Executive (c) municipal passenger transport, (d) company-owned passenger transport, and (e) London Transport Executive.

(a) Goods haulage (private employers)

82. Statutory minimum remuneration for workers employed in the road haulage industry has been fixed under the Wages Councils Acts, 1945 to 1948, (see Chapter VIII).

In January, 1947, the National Joint Industrial Council for the Road Haulage Industry was established to cover the same part of the industry as that covered by the Road Haulage Wages Council. The parties represented on the National Joint Industrial Council are the Road Haulage Association, the Transport and General Workers' Union, the National Union of General and Municipal Workers, the United Road Transport Workers Association, and the Scottish Horse and Motormen's Association. The National Joint Industrial Council provides a means whereby voluntary negotiations can take place regarding wages and conditions of employment, and has laid down a procedure for the settlement of disputes. With the passage of the Transport Act, 1947, many of the long distance operators covered by the National Joint Industrial Council were taken over by the Road Haulage Executive. Other arrangements have therefore been made for negotiating rates and conditions of employment and for settlement of disputes in respect of undertakings acquired by the Executive (see below).

(b) Road Haulage Executive

83. Section 95(1) of The Transport Act, 1947, imposes upon the British Transport Commission the obligation to seek consultation with appropriate organisations with a view to the conclusion of agreements concerning the establishment and maintenance of machinery for the settlement by negotiation of terms and con-

ditions of employment of persons employed by the Commission.

In pursuance of this obligation, The Road Haulage Executive, which has the responsibility for the operation of the nationalised section of the road haulage industry, negotiated an agreement dated 28th July, 1949, with a number of Trade Unions (the Amalgamated Engineering Union, the Electrical Trades Union, the National Union of Vehicle Builders, the Transport Salaried Staffs' Association, the Scottish Horse and Motormen's Association, the Transport and General Workers Union, and the United Road Transport Workers Association of England), which provides for the establishment of a National Staff Council, three National Joint Negotiating Committees, Divisional Joint Committees and Local Joint Committees.

84. The National Staff Council consists of not more than twelve representatives from the Executive and twelve from the Trade Unions and its functions are to ensure that the machinery at divisional and lower levels provided for in the agreement is properly maintained ; to consider such cases as may be referred to it by the National Joint Negotiating Committees, in default of settlement being referred to arbitration in accordance with the arbitration clause applicable to National Joint Negotiating Committees ; to refer to the National Joint Negotiating Committees any matter which will assist them in carrying out the functions of the National Council ; to give guidance if required on any matter referred to a National Joint Negotiating Committee ; to make uniform regulations for conducting the elections of the representatives of the Local Joint Committees ; to consider measures for encouraging the inclusion of the staff of the Executive in their appropriate Trade Unions and for securing the loyal observance by them of Trade Union collective agreements ; to call for and consider statistics and information on matters concerning the terms and conditions of employment of the staff engaged in the industry or any other industry ; to enquire into special problems in relation to the terms and conditions of employment of the staff in the industry in Great Britain and in other countries, and where the National Council deem it to be desirable to publish reports thereon ; and to consider any matters in relation to the terms and conditions of employment that may from time to time be referred to the National Council.

85. The three National Joint Negotiating Committees each consist of equal numbers of the Executive and Trade Union representatives, who are responsible respectively for (i) operating and ancillary grades ; (ii) maintenance and repair grades ; and (iii) administrative, professional, technical, supervisory and clerical grades.

Their functions are to settle by negotiation the terms and conditions of employment of staff with basic rates or salary scales

up to and including £630 a year ; to consider, approve or refer back, the minutes, reports or recommendations made by Divisional Committees, to determine any matter upon which a Divisional Committee has failed to agree and which has been referred to the appropriate National Committee by the Divisional Committee concerned ; and to " consider matters relating to terms and conditions of employment in the industry or in any industry or referred to the National Committees by the National Council." Each of the three National Joint Negotiating Committees has concluded agreements covering the rates of pay and conditions of employment of the respective grades.

86. In cases where the National Committees are unable to determine any matter falling within the scope of their functions, the agreement provides for reference of the difference, at the request of a majority of either the Executive representatives or the Trade Union representatives, to the National Council for consideration or to the Industrial Court, or to any other agreed tribunal, for arbitration and any decision made in relation to the difference is binding upon the Executive, the Unions and members of the Unions. The agreement also provides that there shall be no lock-out or withdrawal of labour or interference with the workings of the Executive until the machinery of the agreement has been fully utilised.

87. Divisional Joint Committees consist of representatives of the Executive and representatives of the Trade Unions and are established in each Division of the Road Haulage Executive for each of the three groups of grades. The functions of the Divisional Joint Committees are, *inter alia*, to ensure that the agreed terms and conditions of employment are observed in the Divisions by the Executive, the Unions and the members of the Unions ; to consider any matters in relation to terms and conditions of employment that may from time to time be referred to each Divisional Committee by its respective National Committee ; to enquire into any difference that may arise or be apprehended between the Executive and the Unions or any of them concerning terms and conditions of employment of members of the staff in the Divisions ; and to determine any matter upon which a Local Joint Committee has failed to agree and which has been referred back to the Divisional Committee by a Local Joint Committee.

Any matter not determined by the Divisional Committees is referred, at the request of a majority of either the Executive representatives or the Union representatives, to the appropriate National Committee for determination and any decision or agreement made by the National Committee is binding upon the Executive, the Unions and the members of the Unions.

88. Local Joint Committees are established for each of the three groups of grades in the area of each Divisional Joint Committee,

for such areas or spheres of operation as may be defined by the appropriate Divisional Joint Committee. Each Local Joint Committee consists of representatives appointed by the Executive and representatives of the groups of grades within the sphere of operation of the Committee. The functions of the Local Joint Committees are to secure that the staff of the Executive shall have a greater share in the responsibility for the settlement and observance of the conditions under which their work is carried on ; to secure the greatest possible measure of agreement between the Executive and the representatives of the three groups of grades with basic rates or salary scales up to and including £630 a year ; to ensure that the agreed terms and conditions of employment are observed by the Executive and the staff ; to deal with matters arising out of the application of the agreed terms and conditions of employment ; and to enquire into any difference which may be referred to them by the Executive Representatives or the Grade Representatives in relation to the application of terms and conditions of employment.

If a Local Committee is unable to agree upon any matter falling within the scope of its functions, it is referred, at the request of a majority of either the Executive or the Grade Representatives to the appropriate Divisional Committee.

(c) Municipal Passenger Transport

89. The National Joint Industrial Council for the Road Passenger Transport Industry (Tramways, Trolleybuses and Motor Omnibuses) which covers grades of workers other than craftsmen was formed in 1937 and superseded the Tramways Joint Industrial Council which included company-owned tramways as well as municipal undertakings. The employers' side of the present Joint Industrial Council consists solely of representatives of municipalities and the deliberations of the Council accordingly relate to municipal employees only. When the constitution of the present Council was drawn up, it was framed on a basis which would have enabled the company-owned undertakings to become parties, but the latter eventually set up, in agreement with the Unions, a separate Council (see (d) below).

90. The Joint Industrial Council has negotiated wages and conditions of employment on a national, but not a uniform, basis for drivers, conductors and certain classes of maintenance workers, and has also considered questions of welfare and holidays. There are no local Councils or other joint machinery, apart from arrangements made in respect of individual undertakings. In the event of disagreement on the Council the matter must be referred for arbitration to the Industrial Court or such other body as may be agreed upon.

91. In September, 1950, a new Council, the National Joint Council for craftsmen employed in Municipal Passenger Transport

Undertakings, was set up to deal with matters affecting skilled workers employed in municipal undertakings. The employers' side of the Council are representatives of the Federation of Municipal Passenger Transport Employers, and the workpeoples' side is composed of representatives of the Amalgamated Engineering Union, Electrical Trades Union, National Union of Vehicle Builders, National Union of Sheet Metal Workers and Braziers and the Amalgamated Society of Woodcutting Machinists. The Council has negotiated an agreement which provides rates of pay for craftsmen on a system of grouping of undertakings, and other conditions of employment.

(d) Company-owned Passenger Transport

92. Negotiations under the auspices of the Ministry of Labour and National Service resulted in the formation, in 1940, of the National Council for the Omnibus Industry. The employers' side is representative of all the larger omnibus Companies in Great Britain and the employees' side consists of representatives of the Transport and General Workers' Union, the National Union of Railwaymen, and the National Union of General and Municipal Workers, with one member representing jointly the Amalgamated Engineering Union, the National Union of Vehicle Builders and the Electrical Trades Union. When the Council was formed, it was agreed to adopt the existing agreements between the Companies and the Trade Unions in regard to rates of wages and conditions of employment. Until June, 1944, the Council had considered only the war wage additions to be made to the agreed rates, and on a few occasions there has been resort to arbitration in accordance with a war-time arrangement under which, in the event of disagreement on the Council, the Council must set up an arbitration tribunal with an independent Chairman whose decision is final and binding. In June, 1944, the Council concluded a model agreement on conditions of employment, which was recommended to individual undertakings for adoption in its entirety in place of existing agreements where this was the desire of the Trade Unions concerned.

93. In 1946 an agreement was negotiated between the two sides of the Council, whereby wages were established on a national, though not uniform, basis for drivers, conductors and garage staffs. In 1947, a National Conditions of Service Agreement was signed by the two sides of the Council. When first established, the National Council for the Omnibus Industry did not deal with skilled maintenance workers. A Model Agreement covering rates and conditions for these workers was negotiated in 1942 between the National Council for the Omnibus Industry (Employers' Side), the Public Service Transport Association, the Omnibus Owners Association, the Amalgamated Engineering Union, the Electrical Trades Union and the National Union of Vehicle Builders. In 1944 the three Trade Unions became represented on the National

Council, and it was then agreed that the rates and conditions of skilled maintenance workers should be negotiated by the Council.

(e) London Transport Executive

94. Voluntary agreements regulating the wages and conditions of service of drivers and conductors of buses and trolley-buses in the Central London Area and of buses and coaches in the Country Area, and semi-skilled and unskilled maintenance staff, have been arrived at by direct negotiation between the London Transport Executive and its predecessors and the Transport and General Workers' Union.

The rates of pay and conditions of service of drivers and conductors, and semi-skilled and unskilled maintenance staff for each section are negotiated with the Union centrally. Major questions of principle concerning rates of pay or conditions of service are, as a general rule, dealt with between the management and the National Secretary of the Passenger Services Group of the Union and do not pass through the stages of machinery for dealing with day to day business.

Questions raised by the staff are submitted by the garage representative to the Executive's District Superintendent or Engineer. Failing settlement the matter proceeds through the appropriate stages up to discussion if necessary between the Management and the Regional Passenger Services Group Committee of the Union.

In general the existing negotiating machinery of the Transport and General Workers' Union has been used as a basis for developments in joint consultation for the road services of London Transport: but since the war advisory joint committees have been set up to consider particular problems such as the allocation of new vehicles and the provision of amenities at garages. There are local Joint Consultative Committees at many of the garages in the Central Area. In the Country Area, staff information meetings, followed by free discussion and open to all grades, are held twice a year in each district.

PORT TRANSPORT

95. Dock employers and workers are those engaged within a port in the handling of cargo and ballast in or on ship, craft, quay or warehouse, or in the bunkering of coal. The exact meaning assigned to "Dock work" under the Dock Workers (Regulation of Employment) Scheme described in this section varies slightly from port to port.

Employers' Organisations

96. At the various ports in Great Britain the employers are organised within local Port Labour Employers' Associations,

which are members of the National Association of Port Employers. This body has a regional organisation under which the ports are divided into eight geographical groups.

Employees' Organisations

97. Dock workers are organised in the Transport and General Workers' Union except

(1) at Glasgow and Campbeltown Docks, where the Scottish Transport and General Workers' Union was formed in 1932 ;

(2) at certain ports on the North East Coast, where the principal Union is the National Union of General and Municipal Workers ; and

(3) in London, where the National Amalgamated Stevedores and Dockers [Union] operates in addition to the Transport and General Workers' Union.

98. At certain ports there are other dock workers, such as riggers, fish dock workers, coal trimmers and tippers, lightermen and tug boat men who are sometimes members of other organisations, e.g., the National Union of Railwaymen, the Watermen, Lightermen, Tugmen and Bargemen's Union, and the Cardiff, Penarth and Barry Coaltrimmers' Union. These workers are generally covered by national or local negotiating machinery outside the scope of the National Joint Council for the Port Transport Industry described below.

Port Registration Committees

99. The nature of dock employment with its rapid fluctuations in the amount of work available, led in the past to the establishment of a large pool of labour, the majority of which was under-employed. For many years endeavours were made to de-casualise dock employment as much as possible, and the need for this was emphasised in the Reports of the Shaw Court of Inquiry in 1920 and the Maclean Committee of Inquiry appointed in 1930. These efforts resulted in the establishment in a large number of ports of Port Registration Committees to take the first steps toward de-casualisation. These Committees were joint bodies of representatives of employers and workers, and were charged as one of their functions, with the setting up of a register of dock workers for the port and regulating entry to the register. Originally all *bona fide* port transport workers who had looked to the docks for employment were included within the register and were thus eligible for employment, but later recruitment was restricted and wastage not fully replaced, with the result that the numbers on the registers gradually fell considerably and the under-employment of registered workers correspondingly decreased.

100. After the outbreak of war in 1939, provision was made in the Dock Labour (Compulsory Registration) Order, 1940, for the compulsory registration of dock workers and employers with Port

Registration Committees (or other body responsible) in ports where Port Registration Schemes were in existence ; and complete decasualisation was achieved under war time arrangements whereby, at Merseyside and Clydeside ports, the Minister of War Transport became the employer of all port transport workers, and at other important ports, the National Dock Labour Corporation became the employer of such workers when not allocated to a specific port labour employer.

The National Joint Council for the Port Transport Industry

101. In 1920, the Minister of Labour appointed a Court of Inquiry under the Industrial Courts Act, 1919, to consider proposals regarding rates of wages and conditions of service for the industry. This Court, which was under the Chairmanship of Lord Shaw of Dunfermline, recommended (among other things) that a Joint Industrial Whitley Council should be constituted for the Docks Industry. This recommendation was accepted by the industry and the National Joint Council for Dock Labour came into being in 1920. The functions, constitution, procedure and scope of the Council have grown up as a result of various agreements between the parties since 1920. A written Constitution was adopted in 1944, and the title of the Council changed to the National Joint Council for the Port Transport Industry.

102. The National Joint Council now consists of representatives of the National Association of Port Employers, the Transport and General Workers' Union, the National Union of General and Municipal Workers, the National Amalgamated Stevedores and Dockers and the Scottish Transport and General Workers' Union.

Broadly speaking the National Joint Council deals with :—

(1) national principles, namely, minimum wage and guaranteed working week, attendance money, holidays with pay, overtime rates, etc.;

(2) the functioning of the industry's conciliation machinery ;

(3) the expression of the collective views of the industry ;

(4) the nomination of eight members of the National Dock Labour Board ;

(5) the delegation to Port or Area (meaning a group of ports) Joint Committees of such powers and matters as are appropriate to them.

103. At each port or group of ports a Port Joint Committee exists representative of employers and the trade unions concerned. The Committees follow the procedure of the National Joint Council as far as possible, and have power to delegate to Standing Joint Sub-Committees such matters as are appropriate to them, especially the settlement of disputes.

Disputes Procedure

104. Disputes are regarded as falling into two categories, namely :—

- (1) those involving a national principle ; and
- (2) those involving local working rules.

Disputes in category (1) above which cannot be settled locally are referred by the Port Joint Committees to the National Conciliation Committee. Those within category (2) are dealt with and settled, if possible, through the machinery of the Port Joint Committee. All decisions of Port Joint Committees are reported to the National Joint Council for record.

105. The National Conciliation Committee appointed by the National Joint Council deals with any disputes on which failure to agree is notified by the Port Joint Committee. The National Conciliation Committee may appoint from a panel of its members Joint Arbitrators who may proceed to the port in question to settle a dispute on the spot. Any failure to agree by the National Conciliation Committee is reported to the National Joint Council for final action.

Wages Agreements

106. Basic wages and conditions in the dock industry were established by a national agreement between the two sides of the industry negotiated in May, 1920, on the recommendation of the Shaw Court of Inquiry. The agreement provided for consequential or special adjustments in the rates for permanent men (such as foremen and other supervisory grades), certain maintenance men, watchmen, etc., coal porters at particular coal bunkering ports and piece workers, and also prescribed overtime and week-end overtime rates. As a result of subsequent negotiations various other matters regarding working conditions have been agreed and various fluctuations in the minimum daily rates have taken place. In addition to the national agreements, local agreements are in existence at each port, covering piece rates and working conditions peculiar to that particular port.

War-time Arrangements

107. In order to ensure a quicker turn-round of ships in the ports and the building-up of a regular and mobile force to handle rapidly and efficiently the heavy traffic passing through the ports during the war, the Government decided upon the following measures, subsequent to the compulsory registration of port transport workers and employers mentioned above.

Regional Port Directors were appointed by the Minister of War Transport to secure the most efficient use of the ports within their Region, and Port Emergency Committees which had been set up prior to the outbreak of war were brought under their direction. These Committees were representative of the principal interests

concerned, i.e., Port Authority, shipowners, traders, road, rail, (and in appropriate cases canal) transport employers and labour. They possessed certain statutory powers for the purpose of regulating, facilitating and expediting the traffic at the ports at which they were concerned. There was also a Shipping Representative who collaborated with the Port Emergency Committee, Port Authority and other interested parties, to secure the most efficient and economical use of shipping.

In addition to the above, the Minister of War Transport became the employer of all registered dock workers in the Merseyside, Manchester and Preston areas as from 10th March, 1941, and in the ports of Glasgow and Greenock as from 13th April, 1941. The Ministry of War Transport and the Ministry of Labour and National Service, after consultation with representatives of the employers and Trade Unions concerned, devised schemes laying down the terms and conditions under which the port transport workers were to be employed in the schemes. Under these schemes "approved" port transport employers were registered with the Regional Port Directors as contractors to the Minister of War Transport. Port transport workers were allocated to these employers by the Regional Port Director according to need, and while they were working for these employers the existing national and local agreements covering rates and conditions of employment generally applied. When the men were not allocated for work they remained in a reserve pool, and so long as they observed the conditions of the scheme they received each week, in addition to their pay for work done during the week, a guaranteed payment less a fixed deduction in respect of each turn of work during the week, including turns worked on Sunday and in overtime periods, but not on Saturday afternoon.

108. In September, 1941, the National Dock Labour Corporation, Limited, was established in agreement with the National Joint Council for Dock Labour to carry out at all other important ports functions somewhat similar to those carried out by the Ministry of War Transport under the schemes referred to above for Merseyside and Clydeside. The members of the Corporation were nominated by the National Joint Council. Its Directors were a Chairman and Vice-Chairman appointed by the Minister of Labour and National Service after consultation with the National Joint Council, a Financial Director appointed by the Minister and six Directors appointed by the National Joint Council. The Corporation had a General Manager and other officers including a Port Labour Manager at each port or group of ports where the Corporation operated. In contemplation of the introduction of an Essential Work (Dock Labour) Order the National Joint Council for Dock Labour negotiated terms and conditions which were embodied in Dock Labour Schemes devised by the National Dock Labour Corporation and approved by the Ministry of Labour and National Service. These schemes provided (among

other things) that port transport workers were to be retained in a "reserve pool" in the employ of the Corporation when not allocated to a specific employer. When in the reserve pool a man was paid, over and above the wages earned during allocation, a fixed sum for every occasion on which he attended one of his normal eleven calls and was not allocated. When allocated to work for a specific dock labour employer, rates and conditions were governed by existing national and local agreements.

Post War Development

109. It was considered desirable to make provision for the continuance of a decasualisation system after the war terminated. Consequently, in February, 1946, the Dock Workers (Regulation of Employment) Act, 1946, was passed. The object of the Act was to enable permanent schemes to be made for ensuring greater regularity of employment for dock workers, and to secure that an adequate number of dock workers was available for the efficient performance of their work. The Act further provided that the two sides of the industry could formulate a scheme or schemes to replace the temporary war-time measures for the decasualisation of dock workers referred to above.

110. The employers' and workers representatives on the National Council were, however, unable to reach agreement on fundamental issues and the Minister of Labour and National Service accordingly prepared a scheme under the powers vested in him by Section 2(3) of the Act. The scheme was embodied in the Dock Workers (Regulation of Employment) Order, 1947, which came into operation on 28th June, 1947, in certain specified ports and 30th June, 1947, in others. The Dock Labour (Compulsory Registration) Order, 1940, was abrogated.

111. The scheme applies to the ports and dock workers to whom the temporary schemes applied with, in addition, certain weekly workers on Clydeside and Merseyside. The scheme is administered by a new body known as the National Dock Labour Board, consisting of a Chairman, a Vice-Chairman and not less than eight or more than ten other members, all of whom are appointed by the Minister of Labour and National Service. Eight of the Members (other than the Chairman and Vice Chairman) are appointed on the nomination or renomination of the said Council, four to represent dock employers, and four to represent dock workers. The National Dock Labour Board is responsible for general policy and administration, exercises financial control and determines the numbers of workers to be included in the dock registers and, in consultation with Local Dock Labour Boards set up under the scheme, the increases or decreases made in the numbers on the registers. The National Board has the duty of appointing Local Boards, consisting of an equal number of employers' and workpeoples' representatives at each port or group of

ports covered by the scheme and to delegate to the Local Boards, as far as possible, the day-to-day administration.

112. Registers or records of dock workers and employers are to be established and only registered employers will be able to employ workers on dock work, which will normally be restricted to registered dock workers. The National Board may delegate to the Local Boards the responsibility for keeping, adjusting and maintaining the registers and records. Subject to the general responsibility of the National Board the Local Boards will be responsible for securing compliance with the provisions of the scheme subject, however, to full rights of appeal.

113. Rates of pay and conditions of service of registered dock workers are to be in accordance with the national or local agreements for the time being in force and an annual holiday with pay at the rates and on the conditions laid down by the National Joint Council for the Port Transport Industry is to be granted to all registered workers.

114. The scheme provides that, subject to certain conditions, a registered dock worker who is available for work in any week but who is unemployed or not fully employed shall receive the amount (if any) that is appropriate for that worker under the terms of any agreement for that purpose come to by the National Joint Council. The settlement of the guaranteed payment is left to be determined by agreement under the normal industrial negotiating machinery, or failing such agreement under any determination reached in such manner as the Minister may approve. Agreement on this question was reached by the National Joint Council on 3rd July, 1947, which operated from 11th August, 1947, and which provides for the payment of "attendance money" and, in the case of men under 70 years of age, for a guaranteed weekly payment.

115. The cost of the scheme, which under the Act must be self-supporting is met by contributions from employers, based ordinarily on a percentage of the wages paid to workers, the amount of which is determined by the National Board.

116. With the passing of the Transport Act in 1947 provision was made for the railway owned docks, in common with certain other forms of transport, to come under the control of the British Transport Commission, and they are now administered by the Docks and Inland Waterways Executive. It has been agreed between the Executive and the Unions that the Local Departmental Committees and Shop and Works Committees which formerly existed at these docks while under railway control should continue to function and Area Councils have been set up in place of the Railway Sectional Councils.

ENGINEERING

117. The Engineering Industry fabricates and manipulates from the products of the iron, steel and non-ferrous metal and, in recent years, the plastics industries. It is concerned with the manufacture, assembly or repair of goods or articles of iron, steel, non-ferrous metals and plastics by the use of machine tools, and includes the foundries and forging plants which produce for the manufacturing, assembling and repair establishments. It is only possible to describe here the arrangements which operate in the principal sections of the industry, where there are agreements to which the Engineering and Allied Employers' National Federation and its affiliated local Associations are parties with various Trade Unions. There are a number of sections forming part of, or closely allied to, the Engineering Industry which have separate negotiating machinery, e.g., Cutlery and Edge Tool manufacture, Nut, Screw and Bolt making, Lock, Latch and Key making, the Railway Workshops, Electrical Cable making, etc.

118. On the employers' side there are forty-seven local Associations which are members of the Engineering and Allied Employers' National Federation and which cater for firms, large and small, engaged in various branches of Engineering. The Federation was founded in 1896. Among the workpeople the principal Union is the Amalgamated Engineering Union (A.E.U.) which was formed in 1920, by the combination of the Amalgamated Society of Engineers (founded in 1851) with nine other Unions. It caters for fitters, turners, millwrights and other skilled machinists who in pre-war days made up a third of the industry, and also for smiths, coppersmiths, brass finishers, etc., for semi-skilled workers and recently for women. There are upwards of forty other Trade Unions having an interest in the Industry, some of them with their centres of gravity in other industries. Foundry workers, boiler-makers, patternmakers, brass and metal mechanics, electricians, coppersmiths and braziers, vehicle builders, wood cutting machinists, sheet metal workers, etc., are catered for by various craft Unions. Unskilled workers are mainly represented by the Transport and General Workers' Union and the National Union of General and Municipal Workers. These Unions, with the Amalgamated Engineering Union, the Electrical Trades Union and the Amalgamated Union of Foundry Workers, also cater for women in the Industry. For the purposes of important national agreements and negotiations the greater number of the Unions are linked together in the Confederation of Shipbuilding and Engineering Unions. Up till the latter part of 1946 the A.E.U. was not affiliated to the Confederation and the practice up till then was for the A.E.U. to join with the Confederation in an organisation known as the National Engineering Joint Trades Movement to deal with matters affecting all manual trades. The need for the latter organisation ceased to exist when the A.E.U. affiliated to the Confederation.

119. Rates of wages for workpeople employed in the Engineering Industry have been fixed on a district or regional basis, in some cases by a local agreement and in some cases without formal agreement. These rates of wages consisted of two elements, namely, a basic rate, which varied according to the class of worker and the district in which the worker was employed, and a national (or war) bonus, of a fixed amount payable to all adult male manual workers. In recent years there has been a tendency towards greater uniformity of wage rates throughout the industry. In September, 1948, a national agreement established national minimum time rates for skilled and unskilled classes of workpeople, with the maintenance of craft differentials above the minimum skilled time rate and the maintenance of recognised differentials for semi-skilled workers above the minimum unskilled time rate. District differentials were also preserved. In November, 1950, consolidated time work rates were established, in place of the existing basic rates and national (or war) bonus.

120. National agreements covering the working week, overtime, nightshift and shift working, paid holidays and payment for work done on holidays, etc., have established uniform conditions throughout the industry. There are agreements of this kind between the Engineering and Allied Employers' National Federation and the Confederation of Shipbuilding and Engineering Unions affecting all manual trades in common. The Federation also negotiates national agreements with individual Unions. The Federation negotiates nationally with the Amalgamated Engineering Union, the Electrical Trades Union, the Amalgamated Union of Foundry Workers, the Transport and General Workers' Union and the National Union of General and Municipal Workers on the wages of women employed on women's work in the Industry. These Unions with other craft Unions are also parties with the Federation to the "Extended Employment of Women Agreements". The Federation has recognised certain Unions as representing clerical workers and also has agreements on certain matters with the Association of Engineering and Shipbuilding Draughtsmen, the Association of Supervisory Staffs, Executives and Technicians ("A.S.S.E.T.") and the Association of Scientific Workers.

121. There exist between the Federation and those Unions with whom the employers maintain a relationship, forms of procedure for the avoidance of disputes and for dealing with "questions arising". These are described in the following paragraphs.

Procedure for Manual Workers

122. There is a comprehensive Memorandum of Agreement dating from June, 1922, to which the parties are, on the one hand the Federation, and on the other the majority of Trade Unions

having an interest in the industry. The Trade Unions now parties to the Agreement include most members of the Confederation of Shipbuilding and Engineering Unions (but excluding "A.S.S.E.T.", the Association of Scientific Workers, the Association of Engineering and Shipbuilding Draughtsmen and the Clerical and Administrative Workers Union); a number of other small craft Unions; the Iron and Steel Trades Confederation in respect of members employed in Engineering establishments and subject to Engineering working conditions; the National Union of Musical Instrument Makers in respect of aircraft work; the Chemical Workers' Union in respect of hourly paid manual workers; and the Union of Shop, Distributive and Allied Workers in respect of canteen personnel. The agreement begins with the formula that "the employers have the right to manage their establishments and the Trade Unions have the right to exercise their functions." A procedure is then set out for dealing with "questions arising" with Provisions for Avoiding Disputes. Within the terms of the opening formula the procedure is of general applicability. It is specifically stated to apply to general alterations in wages, alterations in working conditions which are the subject of formal agreements, and alterations in the general working week; such alterations may not be put into operation until procedure has been exhausted.

123. The agreement provides for the appointment and recognition of Shop Stewards and for the appointment of Works' Committees of Shop Stewards and representatives of the Management; but whereas the recognition of the Shop Stewards has become general, Committees of the kind contemplated have probably been less common. Shop Stewards are appointed by and subject to the control of their Unions. Briefly the agreed procedure to be followed when a question arises in a federated establishment at which Shop Stewards have been appointed, is—interpreted according to the practice of the industry—as follows. Workers desiring to raise any question in which they are directly concerned must, in the first instance, discuss it with their foreman. If the matter is not disposed of, it is taken up with the Shop Manager or Head Shop Foreman by the appropriate Shop Steward and one of the workers concerned. If no settlement is then reached a Works Conference may be held. The term "Works Conference", though in common use, does not appear in the agreement; if there is a Works Committee it may meet at this stage to consider the question referred up; where there are neither Committee nor Shop Stewards, deputations of workmen may be received by the employer by appointment "without unreasonable delay". It should be noted that the local permanent official of the Union concerned can enter at this stage, and if he is present a representative of the local employers' federated association must also attend. Failing settlement at Works Conference the next stage is Local Conference, which must normally be held within seven working

days of asking for it and at which local officials of the employers' Association and the local or district or area officials of the Trade Union concerned attend to conduct the case.

124. The final stage is Central Conference, which is held on the second Friday of each month at York (occasionally elsewhere), and at which only national representatives of the Federation and of the Trade Union concerned are normally regarded as eligible to be present. Local representatives may attend in a consultative and advisory capacity but do not take part in the Conference proper. The function of Central Conference is to make an agreed recommendation on a dispute referred to it or to record failure to agree, in which event procedure is exhausted and the parties are free to decide on a course of action. Central Conference also sometimes refers a case back to the locality, either for further consideration, which means that in the event of continued failure to arrive at a settlement the question returns to Central Conference, or for final settlement, which means that if a settlement cannot then be found locally procedure is exhausted and the parties are free to decide on a course of action. There is no specific provision for arbitration, but while the Conditions of Employment and National Arbitration Order, 1940, was in force there was some recourse to arbitration through the medium of the National Arbitration Tribunal. Similar use has been made of the Industrial Disputes Tribunal set up by the Industrial Disputes Order, 1951.

125. It is open to an employer to raise a question and the procedure then operates in the same way. It is possible in suitable cases to start the procedure at the Local Conference stage. General questions may arise locally which are common to several Unions, and if these Unions are affiliated to the Confederation of Shipbuilding and Engineering Unions and are also individually parties to the Provisions for Avoiding Disputes, the appropriate Confederation official can with their authority be present at the various Conferences. Local Secretaries of the Confederation are entitled to make application for local Conferences, with the authority of affiliated Unions concerned. The General Secretary of the Confederation is entitled to refer questions not settled at Local Conference to Central Conference, similarly with the authority of the Trade Unions. Settlements reached are Union settlements and the Confederation acts only as a co-ordinating body.

126. One of the underlying principles is that each stage of the proceedings removes the question under discussion further from the immediate disputants, while at the same time there can be no recourse to an outside party until all the stages have been gone through. Further, it is expressly laid down that until procedure has been exhausted, there shall be no stoppage of work of either a partial or a general character.

Procedure for Junior Male Workers (manual)

127. The Federation has agreements with the Confederation of Shipbuilding and Engineering Unions setting out machinery of negotiation applicable to apprentices, boys and youths (manual workers) under 21 years. It is the spirit of this procedure that questions shall be referred to the management by the "junior male workers" themselves. If no settlement is reached the youths can refer to the appropriate Shop Steward who will be entitled independently to discuss the matter with the management, and failing agreement then, the youths may report the matter to the Divisional organiser or District Secretary of their Union. They can if they wish, refer any question arising direct to the divisional or district official, who may consult with the Secretary of the local employers' association if he wishes to carry the matter further. There is provision for Local Conference (between the local employers' association and adult local representatives of the Union) and beyond that for central discussions (between the Federation and the Union Executive). Junior male workers may not be associated with the discussion of any question raised by adult workers under their procedure. Apprentices serving under indentures or agreements between the employers and the parents or guardians are not covered by procedure; the Federation undertakes, however, to recommend its members to apply to such workers conditions not less favourable than those conceded to other apprentices by settlements made under the machinery of the agreements.

Procedure for Junior Female Workers (manual)

128. Questions can be raised in the same manner as for adult workers.

Special Procedure Agreements for Manual Workers

129. The majority of the dilution agreements between the Federation and individual Unions provide for special relaxation procedure; notably the agreements of January, 1942, between the Federation and the United Society of Boilermakers and Iron and Steel Shipbuilders make provision for Special Central Conference in London. Similarly the agreements of May, 1940, in respect of the Extended Employment of Women between the Federation, the two General Workers' Unions and the A.E.U. provide that questions arising shall be dealt with through the Provisions for Avoiding Disputes and that in the event of failure to agree locally the matter is to be dealt with expeditiously by a Special Central Conference in London.

Procedure of Non-Manual Workers : clerks, draughtsmen, etc.

130. The Federation has three procedure agreements with Unions catering for such workers: (1920) with the National Union of Clerks and Administrative Workers (now the Clerical

and Administrative Workers' Union) in respect of "clerical workpeople"; (1940) with the National Association of Clerical and Supervisory Staffs (which is a group of the Transport and General Workers' Union) in similar terms; (1924) with the Association of Engineering and Shipbuilding Draughtsmen in respect of draughtsmen engaged in Drawing Offices or in Designing, Calculating, Estimating or Planning Departments, and of tracers, but excluding chiefs, assistant chiefs and principal staff assistants, and also excluding apprentices.

All these agreements are based, with modifications, on the Provisions for Avoiding Disputes of the manual workers (i.e., the scheme of works consultation and subsequent conferences) but do not provide for Shop Stewards. It is an essential feature that other Trade Unions are excluded from the operation of these special agreements and that these three Unions are not to be associated with manual workers' questions. In the Agreement with the National Association of Clerical and Supervisory Staffs the following appears:—

"for the purpose of the agreement the Association will act as an entirely free and independent organisation; the word "supervisory" in the Union's title having reference to other activities of the organisation shall not be construed in this agreement to connote application to any supervisory classes in the engineering industry."

The three agreements prescribe the freedom of employers to become federated and of workers to join the Union or to refrain from so doing. The draughtsmen's agreement is in regard to questions arising and it specifically states that general alterations in wages, alterations in working conditions which are the subject of agreements or are mutually recognised, and alterations in the general working week shall not be given effect to until the appropriate procedure has been exhausted. It also contains the following clause:—

"The procedure does not apply to managerial acts by the employers but any questions resulting from the operation of such acts shall be dealt with hereunder."

The Association of Engineering and Shipbuilding Draughtsmen has an agreement (1939) with the Federation relating to apprentices and young persons under 21 years in Drawing and Tracing Offices which follows closely the agreements for similar categories of manual workers; the "junior staff workers" as they are called, and the junior male workers in the manual grades are for procedure purposes segregated in the same manner as the adult workers.

Procedure for Non-Manual Workers: foremen, chargehands, technicians, scientific workers, etc.

131. The employers have tended to regard their foremen as

members of the management who have the right to raise any question with senior members of the management. The position of chargehands depends on whether they are regarded as manual workers or as staff. The following formula suggested by the Federation was accepted by the A.E.U. on 2nd October, 1941 :—

“ If a man is employed on staff conditions, but is subject to the authority of the foreman and is not responsible for engagement or dismissal of other workers, and works with the tools or uses instruments in the normal course of his work, he should be regarded for the purpose of representation by a Trade Union as a workman. If, however, he is in the position of having authority over other workers and does not in normal circumstances work with tools, although he may use measuring instruments in the case of appeal or final test or in the course of exercising his duties over his subordinates, he should not be regarded as in the category covered by the machinery of negotiations between ourselves and your organisation.”

132. There is an agreement between the Federation and the Association of Supervisory Staffs Executives and Technicians (“ A.S.S.E.T.”) in respect of supervisory and technical grades. This provides that every effort should be made to settle differences without reference to “ A.S.S.E.T.” Where, however, an employee and management cannot settle any question arising between them, “ A.S.S.E.T.” may be called in provided this Association has a majority membership in the particular employee's grade in the establishment concerned.

133. There is an agreement between the Federation and the Association of Scientific Workers which follows, with some modifications, that of the draughtsmen. It relates to certain “ staff members employed in a scientific or technical capacity,” and provision is made for consultation in the works between staff concerned and the management, and for Local and Central Conference.

Dilution

134. In the Engineering Industry a body of customs and privileges has been built up which is ancillary to all formal wages and conditions agreements. Such customs are concerned, among other matters, with the craftsman's status and his right to certain jobs. War-time requirements had accelerated the introduction of new processes of manufacture and large numbers of workers (including women) lacking the experience or the particular skill of Engineering craftsmen were brought into the Industry. Skilled jobs had increasingly to be broken down into a succession of simple operations. Inter-changeability of workers on each other's jobs was frequently necessary.

135. To meet this situation the Federation and the various Trade

Unions concerned drew up during the recent war a series of agreements providing for the "dilution" by alternative semi-skilled or unskilled labour, of work previously reserved for particular categories of Engineering craftsmen. Changes in practice made under these agreements must be registered and employers must revert to the pre-agreement practices as and when such craftsmen become available. As regards women brought into the Industry during the national emergency, it was arranged to treat them as being, in general, only temporarily employed. They can qualify, after a probationary period, for the wage rates of men they replace.

Joint Production, Consultative and Advisory Committees

136. The interest of the workers in production and their right to be consulted have been recognised in an agreement of March, 1942, between the Engineering and Allied Employers' National Federation and the Confederation of Shipbuilding and Engineering Unions, the A.E.U. and the Amalgamated Union of Foundry Workers, which provides for the establishment of Joint Production, Consultative and Advisory Committee (see Chapter IV).

Wages Agreements

Male Time Workers

137. Before the war of 1914-1918, wages in the Industry were settled locally and recognised rates for the various classes of workers gradually became established in the different districts—in some cases by custom and in others by agreement. Generally speaking, in each district where the Industry is carried on to any appreciable extent, at least two such rates became established, one for fitters and turners and the other for labourers. These "basic rates" as they were called varied from district to district. General advances totalling 7/- per week conceded in federated districts between August, 1914, and 1st April, 1917, were subsequently merged into the pre-1914 basic rates. In addition, minimum basic rates for skilled fitters and labourers were established by a national agreement of 30th September, 1948.

Over and above the basic rates there was payable to labourers and craftsmen alike a uniform national bonus which originated from and was frequently varied by arbitrations during the war of 1914-1918 and immediately after, and has since been varied from time to time by negotiation or arbitration.

On 20th March, 1943, in Award No. 326 the National Arbitration Tribunal increased all existing district basic rates by transferring to them 20s. (per standard week of 47 hours) from the national bonus, and a further increase of 4/6d. per week in the basic rates was awarded in April, 1945. There have been further increases since the war and in 1950 the national bonus and basic rate for time workers were consolidated into minimum time rates. District and craft differentials were preserved.

From time to time agreements have been concluded, some local and others national, for extra payment to be made to particular classes of skilled workers such as patternmakers, toolroom workers, millwrights, maintenance men, etc. There is also in operation a recognised practice of paying merit bonuses and "allowances" to workers.

Male Pieceworkers

138. The general conditions of piecework are controlled by national agreements, but there are no standard piece rates, piecework prices or times being settled by agreement between workers and management in each establishment with ultimate resort, if necessary, to the Provisions for Avoiding Disputes. A piecework price or time once established may not be altered except on account of a mistake in its calculation, or of a change in the material or method of production or of the quantities, or by a new agreement. It has been a provision of national agreements since 1919 that piecework prices or times shall be such as to enable a workman of average ability to earn a prescribed minimum piecework standard expressed as a minimum percentage over the appropriate basic rate. In 1919 such an agreement was made between the Employers' Federation and nine Trade Unions. Many similar agreements were subsequently made with other Unions and since 1922 the principal agreements have been of a uniform character. Before 1931, the minimum percentage was 33½; subsequently, it was reduced to 25 per cent. until National Arbitration Tribunal Award No. 326 increased it to 27½ per cent. on the revised basic rates. In 1950, when time workers' minimum rates were increased and when their basic rates were consolidated with their national (or war) bonus, pieceworkers' basic rates remained unchanged but in view of the increase in the minimum rates of time workers, the pieceworkers' minimum percentage was increased to 45. In addition to piecework earnings, pieceworkers received a uniform national bonus related to the standard working week. Since 1950 this has been changed to a flat rate supplemental payment per hour worked.

Women

139. The wages of women engaged on work normally done by women are the subject of national agreements between the Employers' Federation, the Amalgamated Engineering Union, the Electrical Trades Union, the Amalgamated Union of Foundry Workers and the two General Workers' Unions. There is a national schedule of women's wages appropriate to age groups from 14 to 21 and over. The wages of women taking the place of men or doing work hitherto performed by male labour (the "extended employment of women") are the subject of a number of national agreements between the Federation and the various Unions concerned.

Women on piecework enjoy the same general conditions as men

Apprentices, boys and youths

140. The wages of these classes are calculated as a percentage (varying according to age) of the district rate of the skilled fitter, with the exception of foundry apprentices, boys and youths, whose wage is calculated in a similar fashion on the district rate of the skilled moulder, a sum of 3/- per week being added to the wage so calculated at each age. The pieceworkers' minimum percentage over the 1950 basic rates is 45 per cent. In addition pieceworkers receive the appropriate percentage of the adult male workers' flat rate supplemental payment.

Arising from an agreement of 1952, a flat amount is now added at each age, in the case of the timeworker to the time rate and in the case of the pieceworker to the supplemental payment.

Conditions of Employment

141. The working week, guaranteed week, period of notice on dismissal, the computation of payment for overtime and for shift and night working, holidays with pay, and payment for work done on days recognised as public holidays in the various districts have all been regulated by national agreements. Payments to men sent by their employers to work away from home, and travelling allowances, have been in general left to be the subject of district agreements.

SHIPBUILDING AND SHIPREPAIRING (OTHER THAN GOVERNMENT ESTABLISHMENTS)

142. There are three types of establishment in this industry : the shipbuilding yard which generally confines itself to the building of new ships, though it may also at times carry out major conversions on existing ships ; the shipbuilding yard which in addition to new work also undertakes ship repairs and conversions, and is sometimes referred to as a composite shipbuilding and ship-repairing establishment ; and the shiprepairing establishment which concentrates on maintenance, repairs, and conversions. Some, though not all, of the new shipbuilding establishments have their own marine engine building shops.

The industry is essentially an assembling industry, and incorporates in the ships it builds and repairs the products of a very wide range of other industries.

143. A very high proportion of employers and workpeople engaged in the industry are members of organisations. The employers are organised in local associations, which cover practically every shipbuilding and shiprepairing district. These associations are affiliated to the Shipbuilding Employers' Federation. In recent years the small ship and boat builders and repairers have formed local associations throughout the country, and have become

affiliated to the Ship and Boat Builders' National Federation. The arrangements which apply in the small ship and boat building and repairing industry generally follow those in the main shipbuilding and shiprepairing industry.

144. The workpeople in the industry are organised in some 38 different trade unions which are grouped in one central organisation known as the Confederation of Shipbuilding and Engineering Unions. There are some local variations, but in general platers, angle ironsmiths, riveters and holders-on, caulkers and welders are organised by the United Society of Boilermakers and Iron and Steel Shipbuilders; shipwrights (including loftsmen) and drillers by the Shipconstructors' and Shipwrights' Association; joiners by the Amalgamated Society of Woodworkers; woodcutting machinists by the Amalgamated Society of Woodcutting Machinists; french polishers and upholsterers by the National Union of Furniture Trade Operatives; plumbers by the Plumbing Trades Union; electricians by the Electrical Trades Union; painters by the National Society of Painters and the Scottish Painters' Society; blacksmiths and blacksmiths' strikers by the Associated Blacksmiths'. Forge and Smithy Workers' Society; sheet metal workers by the National Union of Sheet Metal Workers and Braziers. Cranemen, redleaders, staggers, platers' helpers, rivet heaters and labourers are covered by the National Union of General and Municipal Workers and the Transport and General Workers' Union. Draughtsmen and tracers are organised in the Association of Engineering and Shipbuilding Draughtsmen. Engineering workers (fitters, turners, coppersmiths, foundry workers, patternmakers, etc.), employed in shipyards and ship-repairing establishments are organised by the Amalgamated Engineering Union, the National Society of Coppersmiths, Braziers and Metal Workers, the Amalgamated Union of Foundry Workers and the United Patternmakers' Association.

145. The Confederation of Shipbuilding and Engineering Unions was re-constituted under its present title in 1936, and certain alterations to the constitution were effected consequent on the affiliation of the Amalgamated Engineering Union in 1946. The administration of the business of the Confederation is in the hands of a General Council, consisting of representatives of the affiliated societies, each elected according to their own respective rules. The constitution provides that an Executive Council composed of 30 members shall be appointed at the annual meeting to deal with questions arising in shipbuilding, engineering and other general questions. The Executive Council has autonomy on purely industrial matters, and has authority to take over existing agreements, or contract new agreements in the name of the Executive Council, subject to endorsement by the General Council. The Executive Council elect from their own number three members to act as negotiating chairman respectively of (1) Engineering and

(2) Shipbuilding and Shiprepairing, and (3) Railway Workshops ; and also appoint ten members to act as representatives on the Railway Shopmen's National Council. The business of the Confederation is conducted at regular quarterly meetings. There is a full time General Secretary. District Committees exist in all the main shipbuilding and engineering areas under the direction and control of the General Council. These District Committees can deal with any question within the general rules of the Confederation and affecting members of the affiliated Unions within the industry in the district.

Procedure regulating the relations between Employers and Work-people

146. General fluctuations in the level of wages are broadly regulated by an agreement made in 1913 between the Shipbuilding Employers' Federation and the Shipbuilding Trade Unions, in which it is provided that no application for an alteration can be regarded as competent until there has been a preliminary conference between the Federation and the Unions in order to discuss the position generally. Procedure is laid down in the agreement for the holding of conferences to discuss changes in wages, which are defined as changes due to the general conditions of the industry.

147. Provision for dealing with questions other than general wages fluctuations is contained in an agreement of 1926 between the Shipbuilding Employers' Federation and the Unions belonging to the Federation of Engineering and Shipbuilding Trades (the predecessor of the present Confederation). An agreement on similar lines was signed in 1927 between the Employers' Federation and other shipyard Unions who were not members of the Federation of Engineering and Shipbuilding Trades but are now affiliated to the Confederation. A memorandum of agreement was drawn up on 12th December, 1928, between the Employers' Federation and the Boilermakers' Society whereby the two parties undertake to observe the terms of the procedure agreements signed by the other shipyard Unions in 1926 and 1927, subject to certain supplementary clauses in connection with the settlement of piecework questions.

148. The main features of the procedure to be followed when any questions (other than general wages fluctuations) arise are :—

Yard Meetings and Local Conferences—(1) Mutual discussion between the employers and a deputation of the men concerned to be held in the yard or at the place where the question has arisen ; (2) failing settlement, and if desired, a further meeting which may be attended also by an official of the local Employers' Association and an official of any Trade Union directly concerned ; (3) failing settlement a Local Conference between the local Employers' Association and representatives of any Trade Union directly concerned.

If the question is a general one or affects more than one establishment, the matter may proceed direct to stage (3).

Central Conference—Where Local Conference has failed to reach agreement, either party may refer the question to a Central Conference between representatives of the Employers' Federation and of the Unions directly concerned. The dates and times of Central Conferences are in practice arranged to suit the convenience of the parties. Any question not settled at Central Conference may, by mutual consent, be referred to arbitration.

General Conference—Failing settlement at Central Conference or mutual reference to arbitration either party may refer the matter for final settlement to a General Conference between representatives of the Employers' Federation and all the Trade Unions who are parties to the agreement. Such conference is presided over by an Independent Chairman appointed by the parties to the agreement or, in the absence of agreement, nominated by the Minister of Labour and National Service. The Independent Chairman has no power to determine or vote upon the matter.

In November, 1939, it was agreed that during the war the office of Independent Chairman should be regarded as in abeyance.

149. The procedure in the case of questions relating to piecework or piece prices is more elaborate in respect of Yard Meetings and Local Conferences. The provisions of the agreement of 1926 are to the effect that :

(1) questions arising in connection with piecework and piece prices shall wherever possible be settled by mutual discussion in the yard or dock where they arise ;

(2) failing settlement under (1), such questions shall be brought before a Joint Committee consisting of three employers and three representatives of the Union(s) directly concerned, none of whom shall be connected with the yard or dock concerned ;

(3) failing settlement in Joint Committee, the questions should be brought before a Local Conference between the local Employers' Association and representatives of any Trade Union directly concerned. (If a question affects more than one yard or dock it may be raised direct in Local Conference without a reference to a Joint Committee.)

If at a Local Conference the parties fail to settle but agree that the question affects only one yard or dock or is a question of interpretation of a district price list, the matter may by mutual consent be referred to arbitration ;

(4) in the event of failure to settle a question in Local Conference and failing reference to arbitration, either party may

refer it to be dealt with by Central Conference and, if necessary, General Conference on the lines described above.

150. The Association of Engineering and Shipbuilding Draughtsmen are not parties to any formal agreement of procedure with the Shipbuilding Employers' Federation, but there is an understanding that the procedure agreed between the Federation and the other Trade Unions will in general apply to questions affecting draughtsmen and tracers.

151. There is also an agreement reached on 26th May, 1938, between the Federation and the Confederation of Shipbuilding and Engineering Unions governing procedure for the discussion of questions affecting junior male employees, which covers apprentices, and boys and youths under 21 years of age. The procedure is somewhat similar to the procedure agreed for adult employees up to the stage of Central Conference, but certain questions are excluded from the scope of the junior male employees' agreement.

Demarcation

152. In the shipbuilding and shiprepairing industry conflicting claims as to which class of employee should do particular work arise from time to time on the introduction of new materials and in connection with the application of changed methods in the construction and repair of ships. As a rule solutions are found by a practical approach even in the most difficult cases, and it is not always necessary to invoke the procedure which exists for dealing with such disputes. The National Demarcation Agreement agreed in 1912 between the Engineering and Shipbuilding Employers' Federations on the one hand and twenty-three Trade Unions on the other hand provides for prompt local settlement of any demarcation question arising, the management being empowered to give a temporary decision on which the work shall proceed, after which, if necessary, the dispute is determined by a Demarcation Court representative of the parties in dispute and the employers. Decisions apply only to the particular establishment affected. While the agreement is limited in its application to certain districts and not all Trade Unions are signatories, it is nevertheless fairly widely used.

Wages Agreements

Time Rates

153. National uniform plain time rates are in operation in the industry on both new and repair work, though the plain time rates in one or two shiprepairing districts are slightly higher than the national rates. In 1950 national war bonus payments were consolidated in inclusive time rates.

The traditional timeworking classes in the industry, ignoring war-time practices and local variations, include in general ship-

wrights, joiners, woodcutting machinists, french polishers, upholsterers, plumbers, electricians, painters, sheet metal workers, semi-skilled classes and unskilled classes.

154. National uniform plain time rates have been agreed for (1) fully skilled classes who have served an apprenticeship ; (2) holders-on ; (3) cranemen ; (4) staggers ; (5) redleaders ; (6) blacksmiths' strikers working with timeworking blacksmiths ; (7) unskilled classes ; (8) apprentices by year of apprenticeship ; and (9) boys and youths by age. The rates agreed are new shipbuilding rates but they also apply on shiprepairing work with the addition of a repair work allowance (except in the case of crane-men where the same rates apply in shipbuilding or shiprepairing). This repair work allowance is added to time rates only and is not applied on top of lieu rates which are specifically arranged for repair work.

155. Plain time rates for other semi-skilled classes in the industry for which no national uniform plain time rate has been agreed are generally arranged on a district or yard basis.

156. The wages of engineering craftsmen employed in shipyards and shiprepairing establishments are as a rule regulated by the national wages fluctuations in the engineering industry and not in the shipbuilding and shiprepairing industry. There are, however, a few exceptions to this practice.

Piecework

157. It has always been the practice in the industry for a large amount of work to be carried out on piecework, and this is particularly the case so far as steel work is concerned. There is, however, much greater scope for piecework on the building of new ships than on the normal run of work met with on repairs to existing ships. Pieceworkers receive in addition to their piecework earnings a national war bonus.

158. The various tradesmen represented by the Boilermakers' Society are in the main paid piecework prices when employed on new work, and piecework prices or lieu rates when employed on repair work. Lieu rates may be described as enhanced hourly rates fixed in relation to work which cannot be accurately priced on a strict piecework basis, but which is carried out at piecework speed by traditionally pieceworking classes. During and since the war payment by results schemes have been introduced for a number of the traditionally timeworking classes.

159. The determination of piecework prices is generally a matter for arrangement in each establishment, having regard to the nature of the work and the facilities for carrying it out, but in some districts some of the lists, particularly those for riveters, have been arranged on a district basis. Pieceworkers may work

individually as in the case of caulkers, or in a group as in the case of riveting squads. In the case of a squad the skilled members of the squad generally share equally in the earnings from the piecework prices, but the unskilled members are paid in a variety of ways.

160. Plater's piecework prices are generally arranged in each individual yard, taking into account the methods of working in the yard, the different types of ships, and the facilities for carrying out the work. Platers' helpers assisting platers paid on piecework prices are paid a pieceworking rate for working at piecework speed, and part of this payment is generally included in the piecework price. A national pieceworking rate has been agreed for such platers' helpers. Riveters' piecework price lists are generally arranged on a district basis rather than on an individual yard basis, the prices covering all the normal operations in connection with riveting. While the riveters and holders-on generally share equally in the earnings from the piecework prices, the share of the piecework earnings which is paid to the rivet heater varies from district to district and sometimes from yard to yard. The rivet heaters, who take no part in negotiating the piecework prices, may receive a percentage of the piecework earnings, or so much per £1 of squad earnings, or a flat rate which may be paid on an hourly, daily, or weekly basis.

Piecework price lists also exist for caulkers', welders', drillers', blacksmiths' and angle ironsmiths' work.

161. The systems of payment by results introduced during and since the war for trades which prior to the war were timeworking trades, such as shipwrights, joiners, plumbers, electricians and painters, are generally in the form of group contract schemes involving the sharing out of lump sum prices paid for sections of work. The contracts in each case are arranged in the individual yards between the employers and the representatives of the work-people.

Women

162. In accordance with an agreement of 17th July, 1941, between the Shipbuilding Employers' Federation and the Confederation of Shipbuilding and Engineering Unions, a large number of women were brought into the industry during the war to perform work normally done by men. This agreement laid down the rates to be paid to skilled, semi-skilled and unskilled classes. After a qualifying period of eight months, during which a special rate is payable, women aged 21 and over, if able to perform without extra assistance or supervision the whole of the duties of the male worker for whom they are substituted, receive the full time rate of those workers. Where for any reason women are unable to perform the whole of the duties of the male workers, special rates are payable. Women under 21 receive the age group rates

paid to boys and youths, irrespective of the work on which they are employed.

The agreement provides for a list of all women introduced in shipbuilding and shiprepairing to meet war-time requirements being kept by each firm. The employment of women on skilled work is further regulated by agreements between the Shipbuilding Employers' Federation and various craft Unions in regard to relaxation of existing customs and practices. There is also an agreement between the Federation and the Amalgamated Engineering Union providing for the employment of women on skilled engineers' and machinists' work in those areas where such work is not covered by the corresponding agreement in the engineering industry.

Dilution (Men)

163. In June, 1940, the Shipbuilding Employers' Federation concluded an agreement with the Boilermakers' Society for a measure of relaxation of existing customs to meet war-time conditions. This agreement provided that all internal lines of demarcation between sections of members in the Society should be suspended to permit of the fullest degree of interchangeability, and that where necessary and under due safeguards (including recording) skilled men from other trades and semi-skilled men might be introduced into the Boilermakers' trade during the war. The Federation also reached agreement with certain other craft Unions to permit of dilution on skilled work, subject to local consultation and to registration. There was in addition an agreement with the Amalgamated Engineering Union covering the employment of engineers where the corresponding agreement of the engineering industry does not operate.

Conditions of Employment

164. A working week of 44 hours is general in the industry. Overtime, nightshift, Sunday and holiday working and work during the recognised mid-day meal interval are governed by national agreements of 1923 and 1924, although in a few ship-repairing districts there are local agreements on such matters. A national agreement of 1938 first provided for a week's annual summer holiday with pay, and in addition a national agreement of 1946 provides for six days of paid holiday throughout the year. From 1952 the period of annual summer holiday has been extended to two weeks.

BUILDING

I. England and Wales

165. In the Building Industry there is a high degree of centralisation of control of the fixing of standard rates of wages, hours of work and other conditions of employment, and the present

machinery for negotiation and dealing with disputes has been arrived at by a lengthy process of evolution.

As early as 1899 in the plastering trade there was an agreement of a national character which provided for the formation of local committees to deal with trade disputes as they arose, and a central standing joint committee to consider those cases which could not be settled locally.

In 1904 there was also set up by agreement a more elaborate scheme for conciliation in trade disputes in which bricklayers, stone masons, carpenters or joiners were involved. The parties to the agreement were employers' national federations and the Trade Unions catering for the trades concerned. Under this scheme disputes were dealt with in the first instance by purely local joint trade committees composed of representatives of the employers and operatives in the particular trade affected. Failing a settlement, the matter in dispute was referred to a local conciliation board composed of representatives of employers and all the Trade Unions which were parties to the scheme. If disagreement continued there was further reference to a Centre (or Area) Board and from that if necessary to a National Conciliation Board. The rules provided that at any stage of the proceedings matters in dispute might be referred to arbitration by consent of the parties.

In the years immediately preceding the war of 1914-1918 the system of collective bargaining was already widely established but the agreements were usually local in character (the locality being usually a single town). In most cases, they were made separately for individual occupations and there was no formal means of co-ordinating them. During the war years up to 1918, increases in rates of wages were made on the basis of purely local agreements, by the addition of fixed amounts which were usually the same for all classes of operatives. Apart from these increases, little change was made in the pre-war system of agreements.

166. In 1918 the two sides of the above-mentioned National Conciliation Board, influenced by the anomalies existing in regard to wages, entered into a comprehensive wages agreement which provided for the maintenance of the existing local agreements so far as they did not conflict with the new agreement, and contained other provisions to ensure co-ordinated application of general wages changes. Later in that year the Employers' Federation and the Unions agreed upon the desirability of greater uniformity of real wages and conditions and began a movement, which spread rapidly, for securing the regulation of wages and conditions on a regional basis by means of Regional Joint Councils.

167. In 1919 the national federations of employers and workers adopted the principle of national uniformity of hours of work; and in 1920 they agreed to regulate wages and other conditions on

a national (but not necessarily uniform) basis. This agreement resulted in the formation of a National Wages and Conditions Council for the Building Industry which had the functions of regulating wages and hours, grading towns for the purpose of wage regulation and regulating allowances which were capable of national adjustment. The Regional Joint Councils remained in existence to settle other matters and to assist the National Council in the work of grading and regrading towns. This scheme, with minor modifications, remained in operation until 1932. In the interval the title of the National Wages and Conditions Council was altered to the National Joint Council for the Building Industry. In 1932 an agreement was reached under which the duties of the National Conciliation Board were transferred to the National Joint Council.

The 1932 agreement is the basis of the present machinery of negotiation in the Building Industry in England and Wales. The agreement enunciates the principle that wages and conditions "shall be determined on a national basis", but makes elaborate provision to secure that proper regard is had to local diversities of circumstance. The machinery for giving effect to the agreement consists of a National Joint Council, and Regional, Area and Local Joint Committees.

National Joint Council

168. The National Joint Council consists of not more than forty members, half of whom are appointed by the National Federation of Building Trades Employers (with the Federations of Plumbing Employers and Roofing Contractors) and half by the Trade Unions which are affiliated to the National Federation of Building Trades Operatives. It is the duty of the Council to deal (in accordance with rules and regulations laid down in the constitution) with rates of wages, grading of towns, working hours, extra payments, overtime, night work, walking time, travelling and lodging allowances, holidays and apprenticeship, and to settle any differences or disputes which may arise.

The National Council is required to appoint a Grading Commission, a Conciliation Panel and an Apprenticeship Board as well as Procedure and General Purposes Committees. The National Council is also required by the rules and regulations to delegate certain functions to Regional, Area and Local Joint Committees.

Regional, Area and Local Committees

169. The Regional Joint Committees (covering large areas or groups of areas or districts as arranged by the National Council) are designed to serve as connecting links between the National Council and the localities; and their constitution was provided for by regulations appended to the main agreement. There are nine regions (North Western, Northern, Yorkshire, Midland, Eastern Counties, Southern Counties, South Western, South Wales and

Monmouthshire and London). For some purposes the Liverpool District is also treated as a Region.

170. The appointment and constitution of Area Joint Committees were left to the discretion of the Regional Committees. The province of the Area Committees is a large district or a group of districts as might be specified by the Regional Committee, and their function is to serve as a further link in the chain of communication and procedure laid down by the agreement.

Purely Local Joint Committees were provided for districts the extent of which was determined by themselves subject to the overriding power of Regional Committees to determine the boundaries of a district.

171. The membership of each type of committee is composed of representatives of employers' organisations and Trade Unions in the region, area or district concerned. The procedure followed varies according to the nature of the subject being dealt with.

Wages Agreement

172. For the purpose of wages regulation, the 1932 agreement provided that the various towns and districts outside London should be classified into ten "grades" in respect of each of which "datum standard rates" of wages were laid down as applicable to craftsmen. The agreement provided for annual determination of "current standard rates" by way of additions to or deductions from the datum standard in accordance with a scale based on variations of the Ministry of Labour cost-of-living figure. The rates for craftsmen in the inner and outer London area respectively were determined in the agreement by the addition of specified amounts to the highest of the grade rates; and the rate for labourers in any district was fixed at 75 per cent. of the rate for craftsmen in that district. The original ten grade rates have since been reduced to four, and the rate for the Liverpool Area, as well as the rates for the inner and outer London Areas are determined by the addition of specified amounts to the highest of the four rates. The rate for labourers has now been fixed at 5½d. per hour below the rate for craftsmen in that district as from 3rd July, 1950. With the replacement in June, 1947, of the cost-of-living index by the interim index of retail prices a revised sliding scale has been agreed but the principle has been retained that, at each annual review, the wage-level is related to the average of the monthly index figures for the preceding twelve months.

173. Variation of the datum standard rates is the prerogative of the National Council. The grading of towns and districts is performed "nationally" by the Grading Commission appointed by the National Council, but it is permissible for any district to make application for a variation of its classification, such applications being submitted through the appropriate Regional Committee,

which has power to make a recommendation to the Grading Commission. Provision is also made for departures from current standard rates by way of "exceptional margins" which apply to all occupations in the particular locality, and operate only for a prescribed period, and "differential margins" which apply to a section of the Industry only (e.g., a single occupation) in the particular locality but continue for an indefinite period. Applications for the granting of exceptional or differential margins are dealt with by the Grading Commission, but only if the Procedure Committee is satisfied that a regrading of the district is not appropriate. The number of towns and districts which have been graded exceeds two thousand and the number carrying differential margins is small.

Working Rules

174. "National Working Rules" annexed to the agreement lay down the duration of the normal working week and working day and the rates of pay for overtime and night working and the allowances to be paid for walking time, travelling and lodging, together with a scale of extra payments to be made to workmen engaged on exceptional kinds of work such as scaffolding, dirty work, work at an exceptional height, etc. Provision is also made for holidays with pay by two schemes, one for Public Holidays, the other for an Annual Holiday. A Code of Welfare Conditions has also been adopted, operating with the force of a Working Rule. The Local Joint Committees have the general duty of regulating the operation of the rules and in particular have power to limit the working of overtime on more than six consecutive days, subject to appeal to the Regional Committee. They also have the duty of defining the boundaries beyond which walking time allowances are payable.

It is open to any party in any district to initiate a proposal to vary the working rules. Proposals must first be considered by the appropriate regional body, but no variation is possible unless and until the consent of the National Council has been obtained.

Disputes Procedure

175. In the event of a trade dispute arising, the agreement provides that it shall be dealt with, without stoppage of work, in accordance with the provisions of a comprehensive agreement made in 1927. This provides for a procedure with successive stages of (1) Local Conference of officials of the organisations concerned, (2) reference to Disputes Commissions, appointed by Regional Joint Committees, (3) reference to a Disputes Commission appointed by the National Joint Council and (4) Joint Conference of the national executive committees of the parties to the agreement.

176. In the event of the National Joint Council failing to agree on any matter it may be referred to the Industrial Court or to an

independent arbitrator or arbitrators, provided a majority of each side of the Council agrees to this course. The decision is then final and binding.

177. During the war period (1939-45) the normal arrangements in the Building Industry were modified by the introduction of a Uniformity Agreement between the Building and Civil Engineering Industries, by the introduction by the Government of a payment by results scheme for certain operations, and by certain provisions laid down in Defence (General) Regulation 56 AB. These modifications were, however, withdrawn in the post-war period.

178. Originally, a separate agreement, having no reference to the National machinery for England and Wales, existed for the Liverpool District. The parties to this separate agreement subsequently became affiliated to the National Joint Council, and the Liverpool District is now covered by national agreements.

II. Scotland

179. In Scotland there are separate employers' organisations, but many of the Scottish Trade Unions are affiliated to the National Federation of Building Trades Operatives. There is a joint agreement similar generally to that operating in England and Wales, but it does not cover all building trade occupations.

Prior to 1930 there was a Scottish Regional Council of the National Joint Council of the Building Industry. This, however, did not represent the plumbing, plastering, painting, nor to any great extent, the bricklaying interests. The employers' side of the Scottish Regional Council consisted of representatives of the Scottish National Building Trades Federation employing joiners, slaters, labourers and also bricklayers not covered by the Scottish Building Contractors' Association. The Trade Union side was composed of representatives of the National Federation of Building Trades Operatives, but a number of Unions in Scotland were not at that time affiliated to this body.

Scottish National Joint Council

180. In June, 1930, the Scottish National Building Trades Federation (employers), which was one of the signatories of earlier national agreements covering Great Britain, resigned from the National Federation of Building Trades Employers and in agreement with the National Federation of Building Trades Operatives a separate Scottish National Joint Council for the Building Industry was set up. A national agreement was adopted by this Council in 1932 and is still in force. This agreement did not cover the plumbing, plastering, painting or glazing trades, but the plastering trade has since been included.

181. The Council's agreement is a composite document similar to that for England and Wales, consisting of the constitution, rules

and regulations of the Council, together with the working rules on particular subjects. Provision is made for the determination of wages, hours, etc., on a basis applicable throughout Scotland, for the performance by the Council of duties substantially similar to those in England and Wales, for the appointment of Standing Committees dealing respectively with procedure and grading and of a General Purposes Committee dealing generally with all matters other than grading and procedure. The arrangements for settlement of disputes and differences are not so detailed as those for England and Wales. There is no Conciliation Panel as in the English agreement, but the Council in addition to having authority to interpret its own decisions as and when necessary, also has the power to intervene in disputes. Machinery similar to that of the English agreement is provided for making constitutional and other amendments, but there are no Regional or Area Joint Committees. The Council has, however, authority to delegate such powers as are provided to Local Joint Committees which deal with questions of overtime, the fixing of grade district boundaries and the general regulation of the operation of the working rules. Either side of a Committee in a case of disagreement has the right of appeal to the Council.

Wages Agreements

182. The 1932 Scottish Agreement provided that various towns and districts should be classified into grades to which "standard rates" based on the official cost-of-living index would apply, the labourers' rates being 75 per cent. of the craftsmen's rate in each grade. The original agreement made provision for a number of grades, but it has since been agreed that one uniform grade rate should apply throughout Scotland. The labourers' rate is now fixed at 5½d. per hour below the craftsman's rate as from July, 1950. A revised sliding scale agreement has been negotiated similar to that operating in England and Wales.

Working Rules

183. The National Working Rules are identical in many respects with those for England and Wales but there are certain important differences. No provision is made as in England and Wales for the normal weekly hours to be extended during the summer months, the rules governing overtime are different, and in the rule relating to "night gangs" there are regulations dealing with two-shift and three-shift systems which do not appear in the English agreement.

The war-time modifications described above applied equally to Scotland. A separate Joint Board for the administration of the Uniformity Agreement was, however, established under the title of the Scottish Joint Board whose functions were similar to those of the English Board.

Trades outside the scope of the Scottish National Agreement of 1932

Painters

184. A Scottish National Painters' and Decorators' Joint Council was in operation for many years up to the end of 1943 when the Scottish Painters' Society, which in 1942 had become affiliated to the National Federation of Building Trades Operatives and the National Joint Council, withdrew from the Scottish Council.

In January, 1948, the National Federation of Master Painters in Scotland and the Scottish Painters Society signed an agreement setting up a new joint body known as the Scottish Painting Council, composed of five representatives from each side, exclusive of Secretaries. The Council has power to settle wages, hours and working conditions for the painting trade in Scotland for the year from the 1st February to 31st January. At all meetings of the Council at which wages, hours and working conditions are discussed a representative of the National Federation of Building Trades Operatives is entitled to be in attendance and the agreement reached by the Council as to wages, hours and working conditions is countersigned on behalf of the National Federation of Building Trades Operatives. Local Painting Councils have been set up for various districts in Scotland and have powers to settle disputes with the right of appeal to the Scottish Painting Council.

Plumbers

185. The working rules and regulations for the plumbing trade were agreed upon in 1931 between the Scottish Federation of Plumbers' and Domestic Engineers' (Employers') Association and the Plumbers', Glaziers' and Domestic Engineers' Union. They were also signed by the National Federation of Building Trades Operatives to which the second party to the agreement is affiliated. The rules provide that the standard rate of wages and the standard hours of labourers shall correspond with those agreed upon by the Scottish National Joint Council, but they differ from the Council's rules in other respects.

IRON AND STEEL MANUFACTURE

186. These notes refer only to the arrangements and agreements operating at blastfurnace plants, i.e., the production of pig iron from iron ore; and in the Heavy Steel Industry comprising steel melting and rolling.

I. Pig Iron Manufacture

187. Wages and conditions of employment are regulated by national agreements and by district and works agreements

operating in Cleveland and Durham; Cumberland and North Lancashire; North Lincolnshire; North Staffordshire; South Staffordshire; Nottinghamshire and Derbyshire; Northamptonshire; the West of Scotland; South Wales and Monmouthshire. The parties are employers' associations and their members on the one hand and the Unions representing the blastfurnacemen on the other. Typical employers' associations are the Iron and Steel Trades Employers' Association, the Midland Merchant Blast Furnace Owners' Association and the Scottish Ironmasters' Association. The employers' associations conclude agreements with the National Union of Blastfurnacemen, Ore Miners, Coke Workers and Kindred Trades in which the workers in most districts are organised. Other Unions concerned include the Iron and Steel Trades Confederation (mainly in relation to blastfurnace plants in Scotland), the National Union of General and Municipal Workers and the various craft Unions in respect of the maintenance workers.

188. The usual procedure for the settlement of questions of a general character is to deal with them at a meeting or conference or through Joint Committees. In the case of questions affecting individual works, the usual procedure, failing settlement at the works in question, is to refer the matter to a Reference or Neutral Committee composed of employers' and workers' members from works other than that at which the question arose.

189. Work is usually continuous for the seven days of the week on a system of three 8-hour shifts so arranged that each worker works an average of $5\frac{1}{2}$ shifts or 44 hours per week. Agreed conditions of working are similar in the various districts and wages have in general been regulated by selling-price sliding scales.

190. The selling-price sliding scales in most districts were stabilized by an agreement operative from May, 1940, between the employer's associations and the unions and concurrently a cost-of-living scale was introduced. This scale was modified in November, 1942, July, 1944, and June, 1946, and was cancelled in April, 1948, when a new cost-of-living scale related to the Interim Index of Retail Prices was introduced. In April, 1951, the selling price sliding scales were stabilised at a higher level and the cost of living scale was further modified.

191. An agreement of September, 1942, (replacing an earlier war-time agreement) provides for the introduction of women and girls for the duration of the war to work previously performed by men and boys. The agreement provides for the payment, after a preliminary period of twelve weeks, of the full rate of the male labour replaced, provided the woman or girl can perform the work without additional supervision or assistance. In the case of women replacing men on labouring work, the agreement recognises the impracticability of assessing individually the extent to which each woman can perform the work of a man replaced, and the

method of fixing a common rate for women replacing men on labouring work is specified in the agreement.

II. Heavy Steel Manufacture

192. The principal association of employers dealing with wages and conditions in the Heavy Steel Industry is the Iron and Steel Trades Employers' Association which was formed in 1922 by the amalgamation of the Steel Ingot Makers' Association, the North of England Iron and Steel Manufacturers' Association, the Midland Steel Rolling Mill Employers' Association and the Scottish Steel Makers' Wages Association. The Iron and Steel Trades Employers' Association has agreements covering the Heavy Steel Industry in England and Wales and the West of Scotland. Certain firms engaged in the Heavy Steel Industry in the Sheffield district, in steel manufacture (particularly for the tin plate and sheet trade) in South Wales and Monmouthshire, in steel rolling in the Midlands, and firms engaged in steel sheet rolling and in the production of tin plate are covered by agreements made by separate employers' associations and by Joint Boards.

193. The principal Trade Union and the one most generally party to the agreements is the Iron and Steel Trades Confederation which came into existence in 1917. Following a conference late in 1915 of practically all the Unions in the Iron and Steel Industry, a scheme was drawn up for the establishment of a "Central Association" to be known as the British Iron, Steel and Kindred Trades Association (familiarily "BISAKTA"), which was to be responsible for general matters of organisation and benefits. At the same time the Iron and Steel Trades Confederation was devised as a kind of parallel organisation with an Executive Council formed from representatives of the Executives of participating Unions and of the Central Association. The Confederation was to deal with all trade questions affecting wages and conditions of employment and to assume the conduct of all negotiating machinery. Three Unions, with a total membership of about 50,000, adopted the scheme. They surrendered to the Central Association the function of enrolling new members, and to the Confederation the regulation of their industrial relations, but continued for a time to keep their separate identities. In due course, however, they merged themselves completely into the centralised organisation, as did certain other Unions. The present position is that about 100,000 workers employed on steel melting furnaces and in rolling mills and forges are catered for by this organisation.

The National Union of General and Municipal Workers, the National Union of Enginemen, Firemen, Mechanics and Electrical Workers (the Power Workers' Group of the Transport and General Workers' Union) and various Unions catering for rollturners, mechanics and other workers engaged on maintenance and the upkeep of plant, are also parties to agreements in the heavy steel trades.

194. As in the case of Pig Iron Manufacture the principle of controlling the fluctuations of wages by means of selling-price sliding scales, has been generally adopted in all districts with the exception of the firms in Sheffield who follow Engineering conditions. These sliding scales as in the case of Pig Iron Manufacture, were also stabilised and cost-of-living scales introduced.

Steel Melting and Steel Rolling Mills

195. Steel melting shops on the North-East Coast, in Cumberland, Lancashire, South and West Yorkshire, Lincolnshire, the Midlands, the West of Scotland and in certain cases in Wales are covered by agreements to which the employer party is the Iron and Steel Trades Employers' Association. These agreements are also applicable in the steel rolling mills in the heavy steel trade in most districts. The basic rates of melters at open hearth furnaces are regulated by an agreement concluded in 1930 between the Employers' Association and the Iron and Steel Trades Confederation. This agreement, which was adjusted consequent upon the introduction of a 48-hour continuous week in April, 1947, fixed scales of tonnage rates for weekly outputs of different types of furnace and under different practices, determined the "melting week", set out the method of the division of the yields of the tonnage rates as between first, second and third hands, etc., and laid down time rates for watching, flowing and fettling, bottoming and melting solidified charges. In 1952 the working week was reduced to an average of $5\frac{1}{2}$ shifts or 44 hours.

196. The basic rates of other workers in the melting shops and in the rolling mills under consideration have not been similarly defined by national agreements but are fixed by works agreements and in the case of certain grades there also exist district agreements between the Iron and Steel Trades Employers' Association and the Iron and Steel Trades Confederation and other Unions. National agreements between the Iron and Steel Trades Employers' Association, the Iron and Steel Trades Confederation and the National Union of General and Municipal Workers have also dealt with general alterations to existing local basic rates of lower paid workers. Basic wages may be in the form of plain time or datal rates, tonnage rates, time and tonnage or time and bonus. Basic wage rates have in general been subject to fluctuations of selling-price sliding scales. The most important of these is the "basic" melters' sliding scale which was originally agreed in 1905 between organisations subsequently merged in the Iron and Steel Trades Employers' Association and the Iron and Steel Trades Confederation. The agreement provided for quarterly assessments of certain average net selling prices, which are measured against an agreed standard; wages then rise or fall at a given rate per cent. for each unit rise or fall in the selling price. The scale was in course of time applied to practically all workers in and around steel melting shops and rolling mills in the heavy steel trade

covered by the Iron and Steel Trades Employers' Association. The scale was amended in 1936 by reducing the agreed standard price and thereby increasing the percentage addition to wages.

197. By agreement of March, 1940, between the Iron and Steel Trades Employers' Association and the Iron and Steel Trades Confederation, the melters' sliding scale was stabilized at a stated percentage and a cost-of-living additional payment was introduced. The cost-of-living scale was modified in November, 1942, July, 1944, June, 1946, and April, 1948. In April, 1951, the stabilisation point of the melters' sliding scale was raised and the cost-of-living scale was further modified. These provisions "made due to war circumstances" are without prejudice to future regulation of wages in accordance with the melters' sliding scale. Similar agreements have been made between the Iron and Steel Trades Employers' Association and other Unions whose members' wages are subject to the melters' sliding scale.

198. The Iron and Steel Trades Employers' Association, the Iron and Steel Trades Confederation and the National Union of General and Municipal Workers have an agreement of April, 1942 (replacing earlier war-time agreements) authorising the employment during the war of female labour to replace male labour and prescribing the rates to be paid. The provisions of the agreement are similar to those of the agreement of September, 1942, referred to above under "Pig Iron Manufacture."

199. The machinery of negotiation between the parties to the agreements in the melting shops and the steel rolling mills now in question had been built up by custom and practice over a number of years and in many cases has not been embodied in formal agreements. The typical procedure was, however, described in a Memorandum annexed to the Memorandum of Agreements dated May, 1938, between the Employers' Association, various Ironmasters' Associations and the Amalgamated Union of Building Trade Workers as follows (the trade union references are to the A.U.B.T.W.):—

" Questions that arise at individual Works are dealt with in the first place between the Works Management and the Workmen concerned.

" Differences that arise at individual Works are dealt with between the Works Management and the men concerned, who shall have the right to call in the shop representative and/or the District Secretary of the Iron and Steel Section or the National Organiser.

" Failing a settlement, the matter shall be referred to a Neutral Committee consisting of two employers' representatives and two Iron and Steel Works Bricklayers, chosen from an Associated Works neutral to the Works where the dispute

exists. There is also present on behalf of the Employers their Secretary and on behalf of the Workers their National Organiser . . . The case is stated on behalf of the Employers and Workers respectively, and witnesses are heard if necessary. After this has taken place the witnesses are excluded and the Neutral Committee then proceeds to consider the case and give its decision. The decision is recorded in a memorandum which is signed by the Neutrals on each side and by the Employers' and the Workers' Secretary.

" Failing settlement by a Neutral Committee the matter may then be submitted either to a Conference between the Employers and the representatives of the Iron and Steel Section of the Union or to arbitration.

" Should questions or disputes arise which affect more than one Works, then a local or District Conference could be held representative of the Employers and of the members of the Union employed in Iron and Steel Works.

" National Conferences shall be convened when necessary . . .

" . . . At all Neutral Committee meetings, local, District, National or other Conferences, representatives of the Union or of the workmen must have power to negotiate a settlement. In the event of failing to agree on any question submitted, there shall be no cessation of work pending the settlement of the question. All such questions as a last resort shall be referred to Arbitration. Should any men strike work or in the event of a lock-out by the employer, no Meeting or Conference between the Associations and representatives of the Union shall take place unless and until the men are at work under the conditions prevailing when they left off work."

200. The Iron and Steel Trades Employers' Association and the National Union of General and Municipal Workers in their agreement of 1925 set out their procedure in writing with a preamble in these words :—

" The recognised machinery of negotiation in the trade shall be followed. It has been built up by custom and practice as the result of experience, and while the details thereof are as complete as possible, they are not to be regarded as exhaustive. They are set forth for the purpose of explanation and guidance, except as regards principles . . . which the Association and the Union shall regard as fundamental " (e.g., no stoppage of work during negotiations and no negotiations while men on strike).

The procedure follows that described above, but is on more detailed lines. It includes a clause that failing settlement at the Works a question is

" referred to the Employers' Association by the Firm concerned. At the same time, it is taken up on the Workmen's

side by the permanent official of the Workmen's Union, who communicates direct with the Secretary of the Employers' Association giving particulars of the difference, of any negotiations that have taken place with the Firm, and asking that the matter be dealt with according to the usual machinery. The whole question is then brought before the Employers' Association, and if the difference is one not of general principle but affecting the Works concerned only, the Association generally refers the matter to a Neutral Committee."

In describing the Neutral Committee machinery the agreement says :—

" . . . The Official representative of the Employers' and of the Workmen's organisation respectively are present, along with the members of the Neutral Committee, at the hearing of the case, and also at the discretion of the Neutral Committee, in deciding the case, although only in an advisory capacity if called upon . . .

" The procedure generally adopted when the Neutral Committee meet to go into the matter is, in the first place, to elect a Chairman. One of the Employers' representatives is chosen as Chairman. The Official of the Workmen's Trade Union then states the case on behalf of the Workmen and calls any evidence he may consider necessary. The case on behalf of the Employers is then stated, and likewise any evidence adduced, if necessary. Being satisfied that both sides of the case have been fully heard, the witnesses and others, with the exception of the actual members of the Neutral Committee, withdraw. It is in the discretion of the Neutral Committee to ask the Permanent Official on the Employers' and on the Workmen's side to remain with them to assist, in an advisory capacity only, if so desired.

" Having given the whole case careful consideration, the decision of the Neutral Committee is then recorded in a short Memorandum ; signed by each member of the Committee and by the Permanent Official of the Employers' and Workmen's Organisation and is accepted by the parties as final and binding.

This Memorandum of Settlement becomes the Finding or Award of the Committee.

" Failing a settlement, the Neutral Committee either refer it back to the Employers' Association and the Workmen's Trade Union to be dealt with, or submit the matter to Arbitration.

" It is the general practice, although not obligatory, for the Neutral Committee to meet for the disposal of the cases at the Works at which the difference exists. The meeting place is, in all cases, however, a matter of convenience."

201. The agreement also contains clauses in regard to general questions, as follows :—

"When questions of a general character arise, they may be dealt with by Conference between the Employers' and the Workmen's Organisations. In the event of such a question arising, it is open to either side to request the calling of a Conference. The Constitution of the Conference . . . is left open . . . according to the question to come under discussion.

"Failing a settling by the Conference of the matter raised, the Conference takes such steps as it may deem advisable for dealing therewith, but failing an Agreement, the difference is generally submitted to Arbitration."

Maintenance men and Rollturners in the Heavy Steel Industry and at Blastfurnaces

202. There are agreements covering bricklayers and masons, bricklayers' labourers, engineers, electricians, patternmakers, smiths, etc. These agreements are in general based on the principle that the Iron and Steel Industry is a separate Industry for the purpose of all negotiations in connection with hours of work, wages, general working conditions and kindred matters.

203. There is a comprehensive Memorandum of Agreements dated May, 1938, between the Iron and Steel Trades Employers' Association, the West Coast Ironmasters' Association, the Lincolnshire Ironmasters' Association and the Amalgamated Union of Building Trade Workers. It applies to bricklayers and masons in the Heavy Steel Industry in England and the West of Scotland covered by the Iron and Steel Trades Employers' Association and at blastfurnaces in England covered by that Association and by the West Coast and Lincolnshire Ironmasters' Associations. The agreement (as amended in 1943) embodies procedure on the lines of that which has grown up between the Iron and Steel Trades Employers' Association and the Iron and Steel Trades Confederation. This procedure has been described above.

204. Comprehensive agreements of various dates between the Iron and Steel Trades Employers' Association (or its predecessors) and the British Rollturners' Trade Society regulate wages and conditions of rollturners in all works within membership of the Association.

205. There have been a number of district agreements for maintenance men (fitters, turners, electricians, patternmakers, boilermakers, etc.). The method of negotiation varied but in the Heavy Steel trade it was usual for negotiations to take place between the employers' association in the district concerned and a district joint committee of the craft Unions. Thus, the Iron and Steel Trades Employers' Association made an agreement in 1941 (which superseded earlier agreements), on behalf of their North-East Coast members with the Amalgamated Engineering Union, the United Society of Boilermakers and Iron and Steel Ship-

builders, the Electrical Trades Union and the United Pattern-makers' Association.

This provided for the appointment of workers' representatives known as shop delegates and for dealing with " questions arising " through the following stages of procedure : workman or workmen and shop delegate(s) discussed with foreman ; shop delegate and one of the workmen discussed with shop manager and/or head shop foreman ; management and shop delegate(s) met, with union and employers' association officials present if desired ; case was referred, if mutually agreed, to a Joint Sub-Committee of employers' and workmen's representatives (not being appointed from the Works at which the difficulty existed or any other works of the same employer) at which the union and employers' association officials were present as members. If a question was not settled by the Joint Sub-Committee, or there was failure to agree to refer it to this Committee, it was referred to a standing Joint Committee, which in the event of continued failure to agree could seek the aid of a " Neutral Conciliator " without voting powers. In the last resource there was resort to arbitration, and for this purpose the Minister of Labour and National Service was asked to appoint a board of three arbitrators under the Industrial Courts Act, 1919.

206. The North-East Coast Agreement also provided for a consolidated rate per hour, to which was added cost-of-living payment. The provisions as to a consolidated net hourly rate and to cost-of-living arrangement, " made due to war circumstances," were without prejudice to future regulation of wages in accordance with " the melters sliding scale of 1905 as amended in July, 1936." There was also provision for a tonnage bonus scheme.

The Iron and Steel Trades Employers' Association concluded an agreement on 19th January, 1949, with nine Trade Unions which established machinery of negotiation for dealing with questions affecting maintenance craftsmen employed at works in membership of the association. It provided for the existing practice of discussion at works and district level to continue and for the establishment of district machinery where it had not previously existed.

The District machinery consists of a Joint Committee representative of the employers and of each class of craftsman employed in the works in the district. The District Joint Committees deal with—

- (a) any question or dispute arising at an individual works on which there has been failure to reach agreement ;
- (b) any question or dispute arising which concerns more than one works.

In the event of any question or dispute not being resolved at the foregoing stages, such matters are referred to and dealt with by

a National Joint Committee representative of the employers and Trade Unions. Any national claim, question or dispute is dealt with by the National Joint Committee.

The agreement also provides that should the National Joint Committee fail to agree on any question, the matter is to be referred to arbitration.

The establishment of this national negotiating machinery has resulted in national wages agreements for maintenance men. There is a consolidated rate and a cost-of-living payment. Provision for a tonnage bonus continues.

General

207. The operation of the Iron and Steel Act, 1949, which nationalised the industry on 15th February, 1951, did not affect the arrangements described above, as the negotiating machinery set up in the various sections of the industry by the private employers and trade unions concerned continued since nationalisation without alteration.

QUARRYING

208. The National Joint Industrial Council for the Quarrying Industry was formed in 1919. Provision was made in its constitution for the setting up of six National Sectional Councils each dealing with wages and other matters relating to its particular type of quarried material and each having Area Councils of its own. These sections were lime and limestone, granite and whinstone, roadstone, freestone, slate and chalk. The degree of organisation originally contemplated has been departed from and Sectional Councils have been set up as described below. The Associations of Employers and Trade Unions in the Sectional Councils are directly represented on the main Quarrying Council.

The Quarrying Council does not deal with wages and conditions of employment which are left to the Sectional organisations. Its constitution provides, however, for the reference to the National Council of disputes which are not settled by Area or Sectional Councils and, where necessary, for the voluntary reference of such disputes to a Court of Arbitration comprising an independent Chairman (who may be nominated by the Minister of Labour and National Service) and two members drawn from each side of the National Council and not directly involved in the particular dispute before the Court. Failing agreement by the Court, the Chairman is required to give a ruling decision. The Constitution requires the parties to a dispute which is referred to arbitration to sign an agreement before the hearing that they will abide by the decision of the Court.

Slate

209. The Slate Section has never covered more than the slate producing districts of North Wales. For many years no Sectional Council was in existence. Wages and conditions were for some time negotiated between the North Wales Slate Quarry Proprietors' Association and the North Wales Quarrymen's Union each of which was represented on the National Joint Industrial Council for the Quarrying Industry. Owing to a greatly increased competition and the varying costs of production between slate quarries and slate mines, the Employers' Association terminated and in 1934 the National Joint Industrial Council agreed that the slate interests should be covered as regards employers by direct representation of the quarries and mines respectively. The break-up of the Association also affected the wages position and agreements were negotiated by the Union with individual employers or groups of employers. A subsequent dispute was settled under the arbitration machinery of the National Joint Industrial Council for the Quarrying Industry. The North Wales Quarrymen's Union has become merged into the Transport and General Workers' Union although continuing to retain its own title.

210. In 1943 the Welsh Reconstruction Advisory Committee, when considering questions which might arise after the war, in the Welsh Slate Quarrying Industry, suggested that there should be available for consultation a body representative of employers and workpeople in the Industry. As a result of action taken by the Ministry of Labour and National Service arrangements were made to revive the Welsh Sectional Industrial Council for the Slate Quarries Industry and this Council held its inaugural meeting in November, 1943. The employers' side consists of representatives of the North Wales Slate Quarries' Association—a new Employers' Association formed in 1943—and the workers' side of representatives of the North Wales Quarrymen's Union. Since the conclusion of the war, a representative on the Employers' side of the Westmorland and Cornwall Slate Committees set up under the Ministry of Works, has sat as an observer at the proceedings of the national joint Council.

Chalk

211. The employers' side of the Chalk Sectional Council is composed of representatives of the Chalk Quarrying Association, and the workers' side of representatives of the National Union of General and Municipal Workers and the Transport and General Workers' Union. Until 1942 the Council covered only the Thames and Medway area which is a large producing area for chalk for export and for use in connection with the manufacture of cement. Following the application of the Essential Work Orders to the industry the membership of the Chalk Quarrying Association increased materially during the latter part of 1941 and the early

part of 1942, and the scope of the Council was by agreement extended to cover all the main chalk quarrying areas in the country. No provision is made for the establishment of Area Councils.

212. A National Agreement on Wages and Conditions of Employment was reached in July, 1942. The agreement lays down that before any stoppage of work takes place either by way of strike or lock-out the dispute shall be considered in accordance with the rules of the National Joint Industrial Council for the Quarrying Industry, and that, where no settlement is reached after all conciliation machinery has been exhausted, at least twenty-one days' notice of the intention to bring about a stoppage shall be given in writing to the Secretary of the Council.

Freestone

213. The Freestone Sectional Council has had an active existence. It comprises representatives of the National Federation of Freestone Quarry Owners on the employers' side and on the workpeoples' side the Amalgamated Union of Building Trade Workers and the National Union of General and Municipal Workers, and the Transport and General Workers' Union. The Council is empowered to set up Area Councils and eight such Councils are in existence covering most of the areas in which freestone is produced. Agreements have been reached in these areas in regard to rates of wages and working conditions. This sectional Council has been active in the question of silicosis which though of lesser incidence now had been prevalent amongst the workers in that class of stone, and for which a special scheme was operated by the Industry under the Workmen's Compensation Acts.

214. The Council also reached agreement in regard to a scheme for holidays with pay modelled on the lines of that adopted in 1942 by the Building and Civil Engineering Industries. The scheme has been so drafted as to permit of the inclusion of other sections of the Quarrying Industry within its ambit.

Lime and Limestone and Granite and Whinstone

215. In view largely of the individual character of the works producing lime, the Area Councils which were originally proposed to be set up in the lime and limestone section, functioned for only a limited period and it was left for the roadstone producers of that section together with the granite and whinstone quarry interests to operate a Roadstone Sectional Council which was constituted in 1920 and continued on a national and area basis until 1937. As a result of the decline of certain of the employer organisations interested, at that date, the Council ceased to function and it was not until 1940 that it was revived by efforts of the National Quarrying Council, under the title of the National Joint Industrial Council for the Roadstone Quarrying Industry.

216. The Council consists of representatives (one from each side) from the seventeen areas into which the country (England and Wales and Scotland) is divided, in each of which Area Councils have been set up. The employers' national organisations are the Limestone Federation, the British Granite and Whinstone Federation, the South Western Roadstone Employers' Federation and the South Wales and Monmouthshire Quarry Owners' Federation, but these bodies do not provide the Delegates on the employers' sides in the areas. The Area Councils are constituted largely from loosely knit groups of employers in the district, the majority of whom are attached to one or other of the above organisations.

The Trade Union side is composed of the Transport and General Workers' Union and the National Union of General and Municipal Workers, the allocation of representation of the workers' side in particular areas being a matter of arrangement between these Unions.

217. The Sectional Council has negotiated national conditions of work, including overtime, guaranteed week and paid holidays, apprenticeship, resettlement of ex-servicemen and employment of foreign workers, and it regulates the wage movement in the sections by national control of the adult unskilled rate and youths' rates. The fixing of differentials for skill and craft work is the prerogative of the Area Councils, as is also the method of application of certain of the national conditions.

PRINTING

218. The Printing Industry is organised on the employers' side by (1) the British Federation of Master Printers, which consists of a number of district associations, known as Alliances, and a few other organisations; (2) the Newspaper Society which covers the provincial (and London suburban) newspapers; and (3) the Newspaper Proprietors' Association, which covers the London daily and Sunday newspapers. On the employees' side there are seventeen Unions comprising craft, semi-skilled and general workers. These are affiliated to the Printing and Kindred Trades Federation, but still retain their individual traditions and, to some extent, their autonomy.

219. Wages and conditions of employment are partly governed by agreements entered into by the Printing and Kindred Trades Federation on behalf of all the Unions, and partly by direct agreements between the employers' associations and the individual Unions. Union agreements provide for the classification of towns, other than London, into grades for wages purposes. Agreements have been concluded by the Federation in the matter of general conditions of employment such as normal working hours and holidays and for standard wages for apprentices of

normal age increasing progressively from 25 per cent. of the journeyman's rate in the first year to 60 per cent. in the sixth or final year.

Subject to these general agreements, individual Unions have negotiated minimum scales of wages for the various classes and grades of workers in the different sections of the Industry. In addition to the minimum rates, there is provision for a large number of extra payments for various machine operations. In the case of several agreements the British Federation of Master Printers has acted in conjunction with the Newspaper Society; the Newspaper Proprietors' Association has acted separately. The agreements with the Unions comprising general workers cover such classes as packers and warehousemen, women workers, and, in the case of one London agreement, transport workers. In some cases the agreements with individual Unions, prescribe procedure for avoiding and settling disputes and differences and provide that pending the operation of this procedure no strike or lock-out is to take place.

220. In 1919 a Joint Industrial Council was set up, the parties being the British Federation of Master Printers, the Newspaper Society and the Unions affiliated to the Printing and Kindred Trades Federation. The Council has not disturbed the practice of negotiation of wages and conditions of employment between the employers' organisations and the Unions or the Printing and Kindred Trades Federation. Its constitution provides machinery for dealing with disputes, and conciliation committees appointed by the Council have dealt with a large number of disputes, mainly affecting individual firms. On occasions the Council has been called upon to consider major differences and has prepared the way for a renewal of negotiations rather than becoming itself a negotiating body. The Council, through its Committees, has collaborated with the Government Departments concerned. The Health Committee has been especially concerned with the prevention of disease which might arise in the course of employment. The Committee concerned with apprenticeship (known as the Apprenticeship Authority) has devised a scheme of selection of apprentices and has issued advice on the workshop training of apprentices and a booklet for circulation to boys and girls of school-leaving age. The matter of increased production has received the special attention of the Council's Employment and Production Committee.

COTTON AND RAYON

I. Cotton

221. Two sections of the Industry, viz., the spinning section, and the weaving or manufacturing section, have tended to segregate themselves according to districts. Spinning is mainly carried on

in South Lancashire and the adjoining districts of Cheshire, the spinning of fine or coarse yarns respectively being peculiar to certain parts of this area. Weaving is mainly centred in North and East Lancashire and various towns tend to specialise in the production of particular classes of goods.

222. Both employers and operatives are organised for purposes of collective bargaining mainly on a local or district basis. These local associations or Trade Unions maintain a large degree of local autonomy, but are affiliated to federations or amalgamations corresponding with processes associated with spinning or weaving. In the spinning section, the local master spinners' associations are affiliated to the Federation of Master Cotton Spinners' Associations and the operatives' local Unions are combined in the Amalgamated Association of Operative Cotton Spinners and Twiners and the Amalgamated Association of Card, Blowing and Ring Room Operatives. In addition, the National Union of General and Municipal Workers represents a substantial number of operatives in the "doubling" section.

223. In the weaving or manufacturing section the employers' local associations are federated to the Cotton Spinners' and Manufacturers' Association. The title of this Association is based on the fact that while its members are mainly engaged in weaving, a proportion are both spinners and weavers. The local Unions of weaving operatives combine to form the Amalgamated Weavers' Association, the General Union of Associations of Loom Overlookers, the Amalgamated Association of Beamers, Twistors and Drawers (Hand and Machine), the General Union of Lancashire and Yorkshire Warp Dressers' Associations, the Lancashire Amalgamated Tape Sizers' Association, the Amalgamated Textile Warehousemen, the Ball Warpers' Association and the Amalgamated Tape Sizers' Friendly Protection Society. These amalgamations in the weaving section are consolidated in the Northern Counties Textile Trades Federation. For the purpose of dealing with matters of general interest to the cotton trade as a whole, such as legislation, hours of work and holidays with pay, the Unions in both sections of the trade are represented by the United Textile Factory Workers' Association.

224. Collective bargaining has been in operation in the Industry for very many years. The industrial agreements are numerous and reflect the division and sub-division of the Industry both geographically and according to the classes of goods produced. A substantial proportion of the operatives in both sections of the Industry are employed on piecework and are paid in accordance with complicated and technical piece-price lists. Changes in rates of wages are usually effected in normal times by means of increases and decreases in the percentage additions to base rates fixed in the piece-price lists, equivalent changes being made in the wages of

operatives who are not paid in accordance with such lists ; but during and since the war the practice of making flat-rate increases has been followed. In addition in the spinning section there have been fundamental changes in wage rates and structure as a result of agreements arising from the report of the Evershed Commission. On the weaving side, negotiations upon the reports of the Cotton Manufacturing Commission resulted in agreement providing for the optional introduction of a new method of computation and rates of wages for weavers. The new system applies only to the types of cloth covered by the Uniform List which is referred to in the following paragraph and may be introduced as an alternative to that list by agreement between the management and the weavers concerned at the individual mills.

225. Following an agreement in 1935, a revised agreement containing a uniform list of piece-prices for weavers in the Cotton Manufacturing Industry was concluded between the Cotton Spinners' and Manufacturers' Association and the Amalgamated Weavers' Association on 5th January, 1937. These agreements were the subject of Orders made under the provisions of the Cotton Manufacturing Industry (Temporary Provisions) Act, 1934. Information concerning these Orders, the effect of which is to make the agreed rates enforceable at law, is given in Chapter VIII. All other agreements in the Cotton Industry are of a voluntary character.

Machinery for dealing with disputes

Spinning Section

226. An agreement (known as the Brooklands agreement) made in 1893 and amended in 1897 established machinery for the settlement of differences and disputes in the spinning section of the Industry.

Subsequently, in 1913, a temporary agreement between the Employers' Federation and the Operative Spinners was made as follows :—" That notices shall not be tendered at any Mill in connection with a bad spinning complaint until the representatives of the two organisations, local and central, have jointly enquired into the dispute ". This agreement was extended until July, 1914, when it was continued " until further notice ". An extension to cover the reference of disputes other than " bad spinning " disputes to local and central Joint Committees was made in January, 1915. The Employers' Federation and the Amalgamated Association of Card, Blowing and Ring Room Operatives signed a similar agreement in December, 1914.

A further agreement setting out the details of the procedure to be adopted in respect of " bad spinning " complaints was concluded between the Employers Federation and the Operative Spinners in November, 1946.

227. In addition to the agreements referred to above there is an agreement containing conciliation procedure for the "doubling" section of the Industry between the Federation of Master Cotton Spinners' Associations and the National Union of General and Municipal Workers. The conciliation procedure is similar to that operating in the weaving section. This is described below.

Weaving Section

228. Joint rules were made in 1913 between the organisations of employers and the workers' organisations in the weaving section of the Industry "to secure the consideration and settlement of trade disputes in their early stages and thereby preserve good feeling between employers and operatives". These rules provide that before employers or workers can have freedom of action, a matter in dispute which has not been settled between the employer and the employee must be brought forthwith before a local joint meeting of representatives of employers appointed by the local employers' association and of operatives appointed by the local operatives Union. Failing settlement at this meeting it must be brought before a further joint meeting consisting of representatives of the Cotton Spinners' and Manufacturers' Association and of the particular Amalgamated Association of Trade Unions formed in that section of the trade to which the dispute relates. If this meeting does not serve to settle the dispute it must be considered at a joint meeting between representatives of the Cotton Spinners' and Manufacturers' Association and the Federation embracing all the Amalgamations of Unions, viz., the Northern Counties Textile Trades Federation. The rules state that if at this third stage in the procedure a settlement is not effected, either party is at liberty to take whatever course it thinks fit. An agreement drawn up in 1932, however, extended the joint rules by making provision for dealing with disputes which remain unsettled after action has been taken under the rules. Under this agreement disputes not settled by negotiation must be referred to a Conciliation Committee consisting of representatives of the organisations of employers and workers to which two independent members, one nominated by each side, are to be appointed. The Chairman of this Committee must be an independent person nominated by the two sides or by the Minister of Labour and National Service, and he is chosen for a definite period as Standing Chairman. Failing settlement by the Conciliation Committee, the independent Chairman must, after consultation with the independent members, make a recommendation. If invited to do so by both sides he has authority to make an award.

229. Mills which combine spinning and weaving processes are covered by a further conciliation agreement containing procedure similar to that described above. Apart from its application to these mills and to the "doubling" section referred to above, the conciliation procedure is confined to the weaving section.

II. Rayon

230. The production of rayon yarn involves processes quite distinct from those connected with the spinning of cotton or other yarns and is carried on by a small number of firms. There is a Joint Labour Committee, consisting on the employers' side of representatives of the producer firms, and on the workers' side of the following Trade Unions :—Transport and General Workers' Union, National Union of General and Municipal Workers and the National Union of Dyers, Bleachers and Textile Workers. The Joint Labour Committee was formed in 1942 and has concluded agreements providing for national minimum basic rates of pay and conditions of employment ; a guaranteed week ; a shorter working week and the promotion of factory joint consultative committees. The Constitution of the Committee, *inter alia*, makes provision for the consideration of the existing machinery in the settlement of differences within the labour field, between different parties and sections in the industry, and the establishment of machinery for this purpose, where it does not already exist, with the object of securing the speedy settlement of the difficulties.

231. The manufacture of goods from rayon yarn is largely linked with the manufacture of cotton, woollen, natural silk fabrics and knitted goods and no general trade agreements covering the weaving or knitting of rayon, therefore exist. Agreements covering these allied industries are in many cases applied or form the basis for the wages and conditions of employment which are observed.

FLOUR MILLING

232. A National Joint Industrial Council for the Flour Milling Industry was set up in 1919. The parties to the Council are, on the employers' side, the Incorporated National Association of British and Irish Millers, Ltd., and, on the workers' side, the Transport and General Workers' Union, the National Union of General and Municipal Workers and the Union of Shop, Distributive and Allied Workers.

233. The principal function of the Council is to secure joint action between employers and workers with a view to the general improvement of conditions in the industry, including the regular consideration of wages, hours and working conditions. Among its more specific objects is the consideration of methods of training for young people entering the industry and the provision of educational facilities for them and co-operation with the Education Authorities. A Technical Education Committee functions for this purpose and other Committees set up by the Council have also done valuable work in collaboration with the Government Departments concerned in connection with the health and safety of the

workpeople. A Pensions Scheme has been established with joint contributions and with safeguard of pension right should an operative move from one mill to another. In March, 1937, a Security Agreement was concluded which ensured to a worker his full weekly income during stoppages due to slackness of trade or the operation of short time. The constitution of the Council provides machinery for the settlement of disputes.

234. Provision is also made in the constitution for the establishment of Joint District Councils the main functions of which are : to consider matters referred to them by the National Council ; to take executive action in connection with decisions arrived at by the National Council ; to consider any differences which cannot be settled at the Mills and to refer to the National Council any such matters upon which the District Council fails to come to a decision ; and to promote the establishment of Works Committees. The Joint District Councils now operating are as follows :—

Birmingham, East Anglia, Kent, Lincolnshire, London, North East, North West, Sheffield and District, Southern Counties, South West, Surrey and Sussex, Scotland.

The wages and conditions agreements negotiated by the Council covering (1) mill operatives and (2) transport workers are on a national basis.

The Incorporated National Association of British and Irish Millers, Ltd. has also entered into separate arrangements with the Electrical Trades Union and the Amalgamated Engineering Union relating, respectively, to electricians and mechanics employed in the industry.

POTTERY

235. The Pottery Industry is concentrated mainly in North Staffordshire and includes the manufacture of general earthenware, china, tiles, sanitary earthenware, jet and rockingham and electrical porcelain.

236. The employers are organised within the Earthenware Association, the English China Manufacturers' Association, the Glazed and Floor Tile Manufacturers' Association, the General Earthenware (Home and Export) Manufacturers' Association, the Staffordshire Potteries Hotel Ware Manufacturers' Association, the Electro-Ceramic Manufacturers' Association, the British Sanitary Earthenware Manufacturers' Association, the British Teapot Manufacturers' Association, the Staffordshire Potteries Manufacturers' Association (Export Trade), the Chemists Sundries Association, the Fine China and Earthenware Manufacturers' Association, and the Ornamental Pottery Association.

These Associations are affiliated to the British Pottery Manu-

facturers' Federation, which represents the employers' side of the industry as a whole.

237. The workpeople are organised within the National Society of Pottery Workers.

238. The National Council of the Pottery Industry was the first Joint Industrial Council to be established after the publication of the Report of the Whitley Committee. It was inaugurated in 1918 and continued in existence until 1945 when it was dissolved. Negotiations were commenced at once for the establishment of a new Council to take the place of the old one, but it was not until 1st March, 1948, that the new constitution of the National Joint Council for the Pottery Industry was agreed and adopted. The employers' side of the Council consists of not more than 12 members appointed by the British Pottery Manufacturers' Federation, and the workpeople's side of not more than 12 members appointed by the National Society of Pottery Workers.

239. The scope of the Council includes the manufacture of the following :—general earthenware, ornamental earthenware, china (including fine china), sanitary earthenware and fireclay, glazed and floor tiles, jet and rockingham, porcelain, refractory furniture and electrical fittings, parian laboratory porcelain and cellulose pottery.

The objects and functions of the Council are :—

(a) The development of the largest possible measure of joint action between employers and employees engaged in the industry with a view to the promotion and maintenance of good conditions in the industry, in the interests of all concerned therein.

(b) The consideration of means whereby manufacturers and operatives may be encouraged to belong to their respective Associations.

(c) The consideration of measures for securing the loyal adoption of the decisions of the National Joint Council by all employers and employees in the industry.

(d) Regular consideration of wages, piece work prices and conditions of employment with a view to establishing and maintaining equitable conditions throughout the industry.

(e) The consideration of the existing machinery for the settlement of labour differences between different parties and sections in the industry, and the establishment of machinery or revision of existing machinery for this purpose, where agreed to be necessary, with the object of securing the speedy settlement of labour difficulties.

In pursuance of function (e) mentioned above the Council has laid down details of the procedure to be observed for the avoidance and settlements of disputes.

240. Although, by its constitution, the original National Council was empowered to do so, it did not in practice deal with wage negotiations. Wage rates, including cost-of-living bonus, were negotiated through the medium of a Standing Joint Committee composed of equal representation of the Pottery Manufacturers' Federation and the National Society of Pottery Workers. The new Joint Industrial Council has now taken the place of this Committee. In 1946 the wages structure of the industry was reviewed, and in November, 1946, the British Pottery Manufacturers' Federation and the National Society of Pottery Workers signed an agreement embodying a new "Wages Structure" for the industry, covering time and piece rates, working hours, men's work, apprentices, the guaranteed week, overtime rates, holidays with pay, provision of tools, payment of wages, temporary transference of occupation, termination of engagements, time recording and standard counts for earthenware decorators.

It was also agreed that "the long established custom of an annual settling time shall be adhered to and no alterations in wages, either general, departmental or individual, be made except by written notice by or on behalf of either employers or employees six weeks prior to 25th March in any year". Subsequent alterations to the new "Wages Structure" have, in accordance with this agreement, been dealt with by the Joint Industrial Council.

BOOT AND SHOE MANUFACTURE

241. As long ago as 1895 the employers, represented by the Federated Associations of Boot and Shoe Manufacturers and the workpeople, represented by the National Union of Boot and Shoe Operatives, reached an agreement known as the Terms of Settlement, 1895, which largely forms the foundation for the working conditions and provides procedure for the settlement of disputes within the Industry. Amendments or amplifications to this agreement have been made from time to time by the National Conference of Representatives of the Federation and the National Union, which is the central authority for the Industry, and the National Conference Agreements have become supplemental to the Terms of Settlement. To secure the more effective enforcement of agreements, awards and decisions, as well as for the general advantage of the Industry, the Federation and the National Union equally recognise the importance of their respective organisations being as numerically strong and as fully representative as possible in all centres of the trade. A National Joint Industrial Council was formed in 1919 but has not been active for many years.

242. Under the Terms of Settlement provision was made for the reconstitution of Local Boards of Conciliation and Arbitration consisting of equal numbers of representatives of employers and

workers. These Boards have power to settle all questions submitted to them concerning wages, hours of labour and the conditions of employment of all classes of workpeople represented thereon within their districts which it is found impossible to settle, in the first place between the employers and employed, and secondly between their representatives. They are not permitted to make any agreement or award as to wages, hours of labour or conditions of employment, less favourable generally to the operatives (having regard to the local circumstances of the district) than the wages, hours and conditions contained within the National Conference Agreements or any agreement extending beyond the period of those Agreements, and they are required to bear in mind the importance of maintaining national uniformity in regard to all matters covered by National Conference Agreements. Each Board is required to set up a Central Joint Committee known as a Committee of Inquiry, or sectional or subsidiary boards to take the initial action on cases referred for settlement. Questions which the Boards of Conciliation and Arbitration are unable to settle are referred to two independent arbitrators. Should they not agree, the question is referred to an Umpire, appointed by themselves or, failing such an appointment, to an Umpire usually appointed by the Minister of Labour and National Service, the decision of the Umpire in each case to be final and binding on all parties.

243. The National Conference agreements provide that "no strike or lock-out shall be entered into on the part of any body of workmen, members of the National Union, or any manufacturers represented on any Local Board of Arbitration." Further, under the terms of an agreement dated 31st March, 1910, and the provisions of a Trust Deed entered into between the Federation and the National Union, a procedure may be brought into operation whereby a monetary penalty may be imposed in the event of a strike or lock-out taking place and lasting beyond three days.

244. Minimum time rates have been fixed for all operatives. The Conciliation and Arbitration Boards fix piecework prices for the districts which they cover and consider all complaints and to a large extent this has become their main responsibility.

245. Like the main section of the Industry the following sections also have national agreements regarding wages and conditions and have adopted parallel procedure for the settlement of disputes—Stiffener, Wood Heel, Toe Puff, Last and Upper Pattern, Cut Sole, and Built Heel manufacturing.

246. That section of the whole-leather or partly-leather footwear industry which is engaged in the manufacture of slippers is mainly carried on in the Rossendale Valley, Lancashire, area and is organised on the employers' side in the Lancashire Boot, Shoe

and Slipper Manufacturers' Association and on the operatives' side in the Rossendale Union of Boot, Shoe and Slipper Operatives. There is a Conciliation Board for dealing with disputes.

LONDON WEST-END THEATRES

247. The London Theatre Council was formed in 1935 as a result of discussions following the settlement of a dispute caused by a decision of the British Actors' Equity Association that the principle of the "closed shop" should be adopted at a West-End theatre. The Council was the first permanent body of its kind in the history of the British stage. It consists on the employers' side of representatives nominated by the Society of West-End Theatre Managers and on the employees' side of representatives nominated by the British Actors' Equity Association and the Variety Artistes' Federation, together with an independent Chairman. The Chairman has no vote but in case of a deadlock he has power to make a recommendation on any matter; he may give a binding decision if requested to do so by unanimous vote.

248. The objects of the Council are as follows:—

(1) To secure the largest possible measure of co-operation between Managers and Artists for the safeguarding and development of the theatre as a part of the national life.

(2) To secure the recognition of mutual interests and obligations, to devise ways and means of settling any differences that may arise and generally to bring together the experience and different points of view of those engaged in connection with theatres as Managers or Artists.

(3) To secure complete organisation of Managers and Artists, and to resist the action of those who would seek to avoid their mutual obligations or would injure the standard conditions of employment by offering or accepting engagements on less favourable conditions.

(4) To approve and maintain Standard Forms of Contract.

249. The Constitution provides for a register of approved Managers and approved Artists. This has served to overcome the difficulties which had previously existed concerning the "closed shop". All the members of the affiliated associations become registered and remain registered so long as they are members of those associations. Artists at the time of engagement must be registered as Artists approved by the Council but any question arising with regard to the registration of any Manager or Artist is determined by the Council. It is provided that if all Artists engaged are registered and the standard forms of contracts approved by the Council are used no action shall be taken to impede or endanger the production or run of a play.

250. The various grades of craftsmen, stage hands, box office assistants, wardrobe department staff, catering staff, etc., from heads of departments downwards, employed in London West-End theatres are covered by a wages and conditions agreement concluded between the Society of West-End Theatre Managers and the National Association of Theatrical and Kine Employees. This agreement provides that any dispute or question not settled by the parties concerned shall be referred to a Conciliation Board consisting of not less than two members of the Society and two members of the Association (not being parties to the dispute). If the Board does not come to a decision within fourteen days of the first meeting the question may be referred for final decision to such persons as the Board may agree to appoint.

251. An agreement has also been concluded between the Society of West-End Theatre Managers and the Musicians' Union, London Branch, setting out minimum rates of pay and conditions of employment of musicians engaged to play in West-End theatres. The agreement provides that in the event of any dispute or difference arising as to the interpretation of the agreement or the terms and conditions contained therein, it shall be referred to a Conciliation Board consisting of an equal number of representatives of the Society and the Union. The decision of the Board must be given within fourteen days of reference and is binding.

CHAPTER IV

PERSONNEL MANAGEMENT AND JOINT CONSULTATION

The basis of relationships in the individual establishment

1. In any undertaking good relations between management and workers depend upon the degree of mutual confidence which can be established. This in turn is dependent upon the recognition by the employees of goodwill and integrity on the part of management in the day-to-day handling of questions which are of mutual concern to management and workers. These questions cover a very wide range, bearing on all aspects of the daily life of the worker; they include not only matters relating to working conditions, health, safety and welfare in its commonly accepted definition, but also questions of discipline, training and promotion, production and trading prospects. Moreover, while basic terms and conditions of employment are determined in most industries by national or district agreements between organisations of employers and trade unions, the application of agreements in detail may have to be settled in the light of individual circumstances. This may involve such questions as piecework prices, bonus schemes, grading of workers, arrangement of working hours, shifts and

holidays, allowances and other items which affect in some way or another the worker's remuneration and conditions of employment.

The responsibility of Management

2. It has become increasingly recognised in recent years that the satisfactory handling of these and similar questions can only be ensured if management consciously accepts the responsibility for developing an effective working force and if adequate consideration is given at the highest level to the firm's policy in relation to all personnel matters. This is true of all organisations, both large and small. In small firms personal contact between employer and employee often lessens the danger of misunderstanding. But in every undertaking difficulties may result from ad hoc decisions or from the absence of any recognised procedure for dealing with personnel problems, and situations may develop which call for action under the disputes procedure.

Personnel Policy

3. The first requisite for the development of good relationships is the recognition of the necessity for a personnel policy based on a just appreciation of the individual needs of the labour force. It is becoming generally accepted that the aim of such a policy should be to secure the best possible co-operation within the firm by ensuring that due recognition is given to the well being of each individual, and that every employee has an opportunity to contribute not only his services, but his suggestions and ideas, towards the common effort. Consultation between management and worker on all matters which affect them both, e.g. the welfare of employees, questions of production and other management problems, lies at the core of such a policy. No worker, however, can give of his best unless he is employed on work within his capacity and for which he has been suitably trained. A personnel policy must provide for good selection of operatives and supervisors, for training and education, for good working conditions and employee services, and for justice in the administration of the agreed wage structure and in enforcement of discipline.

The implementation of Personnel Policy

4. It is also clear that if such a policy is to influence the daily life of the firm, it must be continuously translated into action at all levels and must be fully accepted by all grades of management. Larger organisations, however, and a great many smaller firms too, are finding it necessary to centralise in a specialist personnel department much of the administrative responsibility for seeing that the firm's personnel policy is properly implemented.

Such a department does not relieve management or supervision of their responsibility for handling personnel problems, or detract in any way from the authority of the line executive. The Personnel Officer acts in an advisory capacity both to the Board and

to the management, his major responsibility being to plan the development of a personnel policy and the appropriate detailed procedure for its application. From another point of view the functions of his department are those of a service department carrying out certain duties on behalf of other sections of the organisation.

Functions of a Personnel Department

5. The main functions which are generally accepted as appropriate to the personnel department are detailed below. It should be emphasized, however, that in industry the responsibilities of Personnel Officers vary considerably according to the size and circumstances of the firm. In some firms, for example, the Chief Executive may himself retain responsibility for some of the personnel functions.

(1) *Employment*: Recruitment, interviewing and selection of workers; relations with the Employment Exchange Service of the Ministry of Labour and National Service; follow-up of new workers, transfers and promotion policy; application of statutory and other recognised terms and conditions of employment.

(2) *Records and Statistics*: Keeping of essential personnel records (engagements, transfers, leavers, individual personal records); compiling and analysing personnel statistics.

(3) *Education and Training*: Initiation and training of new workers, education of juveniles and adult workers, training for promotion and supervision.

(4) *Methods and Standards of Remuneration*: The maintenance of the accepted wage structure. Advising on wages policy.

(5) *Health Services and Working Conditions*: Supervision of good working conditions in the factory, and responsibility for carrying out the requirements of the Factory Acts. Relations with the Factory Inspectorate; advising management on matters affecting safety and well-being of the employees; supervision of these matters in co-operation with the Medical Department where one exists.

(6) *Employee Services*: Initiation and supervision of services providing for the physical and social needs of workers, such as canteens, recreation facilities, sick, benevolent and pension funds, advising on personal problems.

(7) *Joint Consultation and Communications*: Promoting effective communication and consultation within the ranks of management and between management and workers on all matters of mutual concern, and developing the use of joint consultative machinery wherever such machinery is appropriate.

(The subject of joint consultation is more fully dealt with in the second half of this chapter).

6. To fulfil these duties satisfactorily the Personnel Officer obviously needs to have adequate knowledge and experience both of industrial conditions and of modern developments in personnel management. The growing complexity of personnel problems in industry and commerce has made the need for specialist training more apparent in recent years. It has accounted both for the increase in number of appointments of fully trained personnel officers and for the considerable interest shown in conferences and short courses organised by various voluntary associations operating in this field.

The Personnel Management Advisory Service

7. Growing interest in the personnel function of management led, in 1945, to the establishment in the Ministry of Labour and National Service of the Personnel Management Advisory Service staffed by Advisers recruited from experienced personnel officers. The purpose of this Advisory Service is to stimulate the development of good personnel management by helping employers to formulate their personnel policy and to establish such organisation, or adopt such practical techniques, as are necessary to implement their policy. The Advisers are available also to assist managements and personnel officers in the solution of personnel problems, and to organise conferences and courses on aspects of personnel management. The latter are normally held in collaboration with educational authorities, and the various voluntary organisations.

JOINT CONSULTATION

8. Joint consultation in its widest sense is an integral part of, and essential to, good personnel management. Mainly, however, because of the exigencies of wartime production, Joint Consultative Committees have had a somewhat separate and distinct development.

Works Committees

9. Before the war of 1914-18 there were comparatively few joint bodies established for workshop consultation between management and employees. Where Works Committees existed, they were comprised usually of representatives of workpeople only and their activities were largely confined to taking up grievances or complaints with the management. During that war, however, industrial changes, due to the expansion of war production, brought home the need for more systematic consultation between management and workpeople, and there was a considerable increase in the number of works committees of a joint character.

10. In 1917 the Whitley Committee on the "Relations between Employers and Employed" recommended the establishment for each industry of National Joint Councils, District Councils, and

Joint Works Committees, the latter to be representative of the management and the workpeople in individual establishments. Within this triple organisation, the objects of Works Committees were to provide a recognised means of consultation between the management and the employees, and

- (1) to give employees wider interest in, and greater responsibility for, the conditions in which their work is performed ;
- (2) to enforce the regulations contained in collective agreements drawn up by District and National Authorities ; and
- (3) to prevent friction and misunderstanding.

Works Committees were, however, to be excluded from any interference in regard to wages and working conditions which were the subject of negotiation through the National or District Council, although it was considered that any issue of interpretation with regard to local peculiarities could be discussed.

11. Following the Whitley Report, joint workshop committees were established in a number of industries, but only in a few did they continue to exist as part of the Joint Industrial Council machinery. Among these exceptions may be mentioned those connected with the Joint Industrial Councils for the Match Industry, Electricity Supply and Municipal Transport. In some other industries joint works committees were established in association with the National or District machinery. Even so, joint consultation in the years between the wars was largely confined either to matters affecting the application of recognised terms and conditions of employment or to matters of welfare and works amenities.

12. Various reasons have been advanced for the lack of development of joint consultation on the wider basis envisaged by the Whitley Committee. It has been said on the one hand that employers insisted upon what are claimed to be "managerial rights" and on the other hand that joint committees tended to cut across general trade union policy, and that there was a feeling that even in the workshops the interest of the individual worker could best be handled by official trade union representatives.

13. Nevertheless, there were some firms who, during these years, established Works or Staff Councils in an endeavour to build and maintain a good relationship and a spirit of co-operation between themselves and their workpeople. These Committees did not form part of any general plan of collaboration in the industry, nor did they conform to any particular pattern either as regards constitution or function. Most of them were based upon the wider conception of the scope of joint councils envisaged by the Whitley Committee.

Wartime Development 1939-45

14. The great productive effort called for during the last war

again gave a stimulus to the development of further consultation between employers and workpeople. In December, 1940, the Minister of Labour and National Service (Mr. Ernest Bevin) stated in the House of Commons: "It is my considered view that in order to avoid conditions which cause discontent, there should be established in all industrial establishments standing joint arrangements for regular discussion between management and properly elected representatives of the workpeople, on matters in which they are mutually interested." In 1940 steps were taken through the Coal Production Council to encourage the establishment of Pit Production Committees. At the same time also, action was taken with a view to strengthening and widening the functions of Yard Committees in the Shipbuilding and Ship-repairing industry. In February, 1942, the Ministry of Supply entered into an agreement with the Unions concerned to establish in each Royal Ordnance Factory, Consultative and Advisory Committees for the regular exchange of views between management and workers on matters relating to the improvement of production, to increase efficiency for this purpose, and to make recommendation thereon. In March, 1942, the Engineering and Allied Employers National Federation entered into an agreement with the Unions regarding the constitution of Joint Production, Consultative and Advisory Committees in federated engineering establishments.

15. Following these agreements joint committees were established in the majority of engineering establishments as well as in the Royal Ordnance Factories. Committees were set up on similar lines in the Building and Civil Engineering industries and, although there were no other formal agreements between the Employers Associations and the Trade Unions, the pattern of the Joint Production Consultative and Advisory Committees influenced the development of joint consultative machinery in other industries.

Post War Developments

16. After the war there was a feeling in some quarters that Joint Production Committees had served their purpose, and that with the return to normal peacetime conditions of work there was no longer the same need for them. The result was that many committees were disbanded whilst others ceased to exist when the war-time control of the industry concerned came to an end.

17. It soon became clear, however, that collaboration between employers and employees at the factory level, was just as desirable in the post-war situation as it had been during the war. In 1947 the question of promoting the establishment of joint consultative machinery was discussed with the National Joint Advisory Council. The Council agreed to recommend to Employers' Organisations and Trade Unions the setting up of joint consultative machinery where it did not already exist, for the

regular exchange of views between employers and workers on production questions, subject to the following general rules:—

(a) that such machinery should be voluntary and advisory in character ;

(b) that it would not deal with questions relating to terms and conditions of employment which are normally dealt with through the ordinary machinery of joint negotiation ;

(c) that it would be left to each industry through its ordinary negotiation arrangements to adopt the form of machinery best suited to its own particular circumstances, and to decide in particular whether such machinery could best be established at the factory level or cover a wider area.

18. This recommendation gave valuable encouragement to the efforts which were already being made in industry to develop joint consultation. In view, however, of the importance of securing results over a wide field of industry as soon as possible, the Government decided to take complementary steps to stimulate further the interest of industry in the matter. The Ministry of Labour and National Service, therefore, asked the national organisations in the larger industries what action had been taken or was proposed to promote the establishment of joint consultative machinery on the lines recommended by the National Joint Advisory Council.

19. At the same time steps were taken to arouse the interest of individual managements and their workers with the object of:—

(a) promoting a fuller understanding in industry of the meaning, purpose and value of joint consultation ;

(b) ensuring that as soon as the national organisation in an industry reached agreement on the arrangements which it considered desirable, every encouragement and assistance was given to individual firms to establish machinery in accordance with it.

With these aims in view the Regional Offices of the Ministry of Labour and National Service and the Regional Boards for Industry and their District Committees, were asked to help in promoting the development of joint consultation. Information was made available to industry through lectures, conferences or leaflets, and by approaches to individual firms who wished to have more direct advice in the matter. Small conferences on discussion-group lines for firms operating joint consultative machinery were held under the auspices of the Ministry of Labour and National Service to encourage the interchange of experience and knowledge of the effective working of such machinery. In some parts of the country these conferences have formed the basis of a continuing exchange of views between firms in the areas concerned.

20. As far as the nationalised industries are concerned the various Acts by which they were placed under public ownership

impose an obligation on the management, except where adequate machinery is already in existence, to seek consultation with the appropriate trade unions with a view to the establishment of machinery for the promotion and encouragement of measures affecting the safety, health and welfare of persons employed in those industries and for the discussion of other matters of mutual interest including efficiency in the operation of the industries.

21. The Government also sought to stimulate research and to extend the available knowledge of the factors which influence the success of joint consultation. Two major research projects were sponsored by the Human Relations Panel of the Committee on Industrial Productivity set up by the Lord President of the Council. One, a study of joint consultation in a section of industry was carried out by the National Institute of Industrial Psychology. The other was an investigation by the Tavistock Institute of Human Relations of the problem of joint consultation and communications in one particular organisation. The results of both these studies have been published.

Progress in Joint Consultation

22. The extent to which joint consultation is practised varies widely from industry to industry and from firm to firm. Much development has undoubtedly taken place in the last few years, both in the number of consultative committees which have been established, and in the widening of the scope of those already in existence. More significant, however, is the growing appreciation within industry that the criterion of the success of joint consultation, formal or informal, is not the number of joint committees in existence, nor yet the contribution which these committees may make to increased production, but rather the extent to which consultation between management and workers contributes to the sense of co-operation and mutual responsibility in individual organisations and in industry as a whole.

23. Considerable progress has been made in the establishment of consultative machinery in the nationalised industries. Each of the nationalised boards has set up at national level a Joint Consultative Council, composed of representatives of Boards and of the Trade Unions concerned. Several of the industries have also set up joint committees at the unit, district and regional or divisional level, but the relationship between the committees at these various levels, and between the consultative and negotiating machinery, differs from industry to industry.

24. In the private sector of industry, following the recommendation of the National Joint Advisory Council, some form of agreement in the establishment of joint consultative machinery was reached by employers and trade unions concerned in almost all the major industries where such machinery did not already exist. At the end of 1949 the position was as set out below but the

arrangement of industries in four groups gives only an approximate indication of actual developments. Some industries cannot be said to fall precisely into any one of the groups.

(a) Industries where the national organisations of each side agreed to recommend to their members the establishment of joint committees in accordance with a model constitution :—

- Biscuit Manufacture
- Electrical Cable Making
- Engineering
- Film Production
- Iron and Steel
- Light Metal Trades
- Pottery
- Shipbuilding and Shiprepairing
- Wallpaper Making
- Woollen and Worsted Industry (Yorkshire)

(b) Industries where the national organisations agreed to recommend or approve the setting up of joint consultation machinery at factory level if such machinery was desired by both sides in an establishment, but where the form of such machinery was left for determination by agreement in the establishment concerned :—

- Asbestos Manufacturing Industry (Cement Section)
- Boot and Shoe Manufacture
- Carpet Manufacture
- Chemicals
- Clothing
- Drugs and Fine Chemicals
- Furniture
- Hosiery
- Iron, Steel and Non-Ferrous Scrap
- Printing
- Quarrying
- Rayon Yarn Producing
- Rubber Manufacture
- Silk
- Soap, Candle and Edible Fat Industry
- Textile Finishing
- Tobacco

(c) Industries where the national organisations were satisfied with existing arrangements for joint discussion which permitted the establishment of works committees or councils by local agreement :—

- Bacon Curing
- Building Bricks
- Cast Stone and Cast Concrete Products
- Cement Manufacture (an agreement of 1920 sets out a model constitution for a works committee)
- Cocoa, Chocolate and Confectionery Manufacture

Flour Milling
Food Manufacture
Seed Crushing Compound and Provender Manufacture
Veneer Producing and Plywood
Welsh Engineers and Founders
Welsh Plate and Sheet Industry (a model form of constitution exists)

(d) Industries in which existing arrangements were considered satisfactory by both sides, although in general no formal machinery for the purpose of joint consultation existed in individual establishments :—

Building
Cane, Willow and Woven Fibre Furniture
Cotton Spinning and Manufacture
Glass Container Industry
Heating, Ventilating and Domestic Engineering
Home Grown Timber Trade
Leather Goods Industry
Mastic Asphalt Industry
Paper and Paper Board Manufacture

25. The National Joint Advisory Council's recommendation stressed the importance of the voluntary and advisory character of joint consultative committees. It is now generally acknowledged that whether an industry has an accepted model constitution or not, there must be flexibility in the operation of any agreement reached at the level of the industry in order that the form of consultative machinery may be adapted to fit the special requirements of each individual organisation. There are, however, a number of factors which are common to the constitution of the great majority of joint consultative committees.

26. The committees consist normally of representatives of management and employees, the employees' representatives being elected by secret ballot, the management representatives being appointed by the chief executive; a few firms, however, make arrangements for their management representatives to be elected by their colleagues. A minimum length of service in the factory, usually one year, and a minimum age limit of 18 is generally required from employees as a qualification both for voting and for membership of the committee. In some cases there is also a requirement that the employee nominated for election shall be a member of an appropriate trade union.

27. The constitution of a committee frequently includes guidance on such matters as the number of members to be elected from the employees or appointed by the management, the subjects which can be discussed, methods of implementing the committee's recommendations, the frequency of meetings and payment for attendance. A committee is commonly empowered to appoint sub-committees to consider particular problems.

28. The functions of most joint consultative committees provide for consideration amongst others, of the following subjects :—

- (1) The safety, health and welfare of employees ;
- (2) Questions of training, education, works rules and codes of discipline and other personnel problems ;
- (3) Improvement in methods of production, efficient use of the maximum number of production hours, economy in use of materials ;
- (4) Encouragement of suggestions for improvements within the factory.

29. It is becoming increasingly common for managements to keep their employee representatives informed on the state of trade, and to discuss problems arising therefrom with them. On the other hand joint committees exclude from the scope of their discussions all questions relating to wages and conditions of employment and other matters which are normally the subject of negotiation between organisations of employers and workers. The model constitutions expressly provide for the exclusion of such matters from the committees' consideration.

30. While it may be possible, especially in smaller establishments, to ensure effective consultation without the aid of any form of machinery, recent research has indicated that the form of the consultative machinery established affects the degree of success which attends it. One of the problems which has to be faced for example, in connection with the operation of joint consultative machinery, is that of securing the interest of the general body of workers in the proceedings of the Committee. The only real solution to this problem in a firm of any size seems to be to ensure that, by means of a series of co-ordinated committees, consultation takes place as near the shop floor as possible and that it is equally as effective at intermediary levels as for the firm as a whole.

31. Moreover, such an arrangement lessens the danger of some sections of the organisation being omitted from the scope of the system of joint consultation. A consultative committee is only one part of the system of communication within a firm, but special care must be taken to see that the discussions which take place at it do not have the effect of by-passing the normal lines of communication within the firm, and that in particular supervisors and junior management are represented on the committee in one way or another. Unless both these danger points are safeguarded, many of the benefits of the consultation which takes place between senior management and the workers may be lost.

32. One of the reasons advanced for the slow development of real consultation in industry at factory level, has been the fact that full discussion of matters of importance often requires a higher degree of knowledge and understanding of industrial problems and a

wider outlook than is available among the representatives of workers or the lower ranks of management and supervision. Some firms have made considerable effort to give both their workpeople and their management the degree and type of knowledge they require. The trade unions have also organised full-time and part-time courses for their members, while technical colleges in various parts of the country have also included suitable lecture courses within their ordinary curriculum.

33. Although the value of a well co-ordinated system of consultative machinery, accepted by both management and workers is considerable, the attitude of mind with which both approach it remains of fundamental importance. The experience and research of recent years confirm this. The foundation of successful joint consultation is a willingness on the part of management to treat their employees as an intelligent and responsible force in the undertaking, and on the part of their workers to accept the responsibility of contributing to the solution of common problems which arise. Both management and workers must sincerely believe that the successful running of an enterprise will be assisted by both parties settling down round a table to discuss matters of mutual interest. If there is a fear on the part of management that its authority will be lessened by such discussion or a refusal on the part of the employees to accept the implied responsibility joint consultation will fail. Joint consultative machinery is, moreover, no substitute for personal contact and it must itself be founded upon the habit of informal consultation within the ranks of management and between all levels of management and employees.

CHAPTER V

STATE PROVISION FOR AVOIDANCE OF TRADE DISPUTES BY CONCILIATION AND VOLUNTARY ARBITRATION

1. Voluntary joint machinery has been established over a very large field of industry for the settlement of differences between employers and workpeople and it has been the policy of successive Governments to support it to the fullest extent possible. Differences do, however, arise from time to time on which a settlement through an industry's own machinery and procedure cannot be reached. Provision has therefore been made for State assistance to be available for preventing and settling differences in these circumstances. The Ministry of Labour and National Service renders such assistance under statutory authority derived from the Conciliation Act, 1896, and the Industrial Courts Act, 1919.

2. The Industrial Relations Department of the Ministry of Labour and National Service was developed after the war of 1914-18 in accordance with the Government's policy of supporting voluntary methods and assisting the efforts of industry to settle its own affairs. The Department consists of Headquarters staff and a staff of conciliation officers and personnel management advisers in each of the administrative regions of England, in Scotland, and Wales. It is essential, if the Industrial Relations Department is to perform the duties under the legislation referred to above and to carry out the Government's policy in the field of industrial relations, for it to be fully and continuously informed as to the state of relations between employers and workpeople throughout industry and to keep in close touch with all developments likely to affect these relations. The duties of the staff in collecting and maintaining information in this field are of first importance.

3. The main functions of the Department can be summarised broadly as :—

- (1) giving assistance in the formation and maintenance of joint voluntary machinery in industry ;
- (2) the prevention and settlement of trade disputes ;
- (3) advice on Personnel Management including advice on joint consultation.

It is responsible for advising other Government Departments on industrial relations questions in general and in particular in respect of their responsibilities for wages and working conditions either on contracts (see Chapter VII) or in respect of direct labour in their employment.

4. During the war of 1939-45 the need to avoid stoppages of work and interference with essential production and services led to the introduction of special legal measures to prohibit strikes and lock-outs. These measures, which were contained in the Conditions of Employment and National Arbitration Order, 1940, and its amending Orders, are dealt with in detail in Chapter VI, but it is relevant and important to emphasise in this chapter that they were framed on an agreed basis following recommendations made by the British Employers' Confederation and the Trades Union Congress and that they supplemented and did not supersede the voluntary methods and joint machinery described in Chapters II and III.

5. The normal methods by which the Minister of Labour and National Service assists in the prevention and settlement of industrial disputes are broadly :—

- (1) conciliation ;
- (2) arbitration ; and
- (3) investigation or formal inquiry.

These methods do not necessarily exclude each other. Thus when methods of conciliation have failed arbitration may be adopted as a means of settlement. If exceptionally there are difficulties in the way of conciliation or arbitration and if the Minister considers that the public interest is involved he has certain powers to constitute a Court of Inquiry ; a less formal inquiry such as a Committee of Investigation may be appropriate when public interest is not involved to any important extent. The legislative authority for such action is derived from the Conciliation Act, 1896, and the Industrial Courts Act, 1919. The Industrial Courts Act gave effect to recommendations made by the Whitley Committee in their Fourth Report. As the recommendations of the Whitley Committee contained the basic general principles in accordance with which industrial relations policy has developed, it is useful to quote from this Report before describing in greater detail the methods listed above by which this policy is made effective. The Committee stated :—

“ We desire to emphasise the advisability of a continuance, as far as possible, of the present system whereby industries make their own agreements and settle their differences themselves . . .

“ We are opposed to any system of Compulsory Arbitration ; there is no reason to believe that such a system is generally desired by employers and employed, and in the absence of such general acceptance, it is obvious that its imposition would lead to unrest . . . For the same reason we do not recommend any scheme relating to conciliation which compulsorily prevents strikes or lock-outs pending inquiry . . .

“ We further recommend that there should be established a Standing Arbitration Council for cases where the parties wish to refer any dispute to arbitration, though it is desirable that suitable single arbitrators should be available, where the parties so desire . . .

“ We suggest that the Ministry of Labour should be authorised to hold a full inquiry when satisfied that it was desirable, without prejudice to the power of the disputing parties to declare a strike or lock-out before or during the progress of the inquiry . . . Presumably the existing Act [the Conciliation Act, 1896] empowers the Ministry of Labour to publish reports made as a result of inquiries of this character, but, if not, the necessary power should be obtained, so that there may be immediate publication, for the information of those affected by the dispute and of the public generally, of an independent and authoritative account of the matters in difference.”

CONCILIATION

6. Under Section 2(1)(b) of the Conciliation Act, 1896, it is within the discretion of the Minister of Labour and National Ser-

vice to take such steps as may seem expedient to induce the parties to a difference to meet together by themselves or through their representatives, under the chairmanship of an individual selected by them or nominated by the Minister or some other agreed authority. Under Section 2(1)(c) if either party makes application to him, "and after taking into consideration the existence and adequacy of means available for conciliation in the district or trade and the circumstances of the case," the Minister may "appoint a person or persons to act as a conciliator or as a board of conciliation."

Under Section 2(1) of the Industrial Courts Act, 1919, the Minister of Labour and National Service may take such steps as seem to him expedient for promoting a settlement in any trade dispute reported to him by or on behalf of one or other of the parties. In this Act a trade dispute is defined as "any dispute or difference between employers and workmen, or between workmen and workmen connected with the employment or non-employment, or the terms of the employment or with the conditions of labour of any person."

It has been the continuous policy of the Ministry for many years to encourage self-government in industry and no action of the kind authorised in the above-mentioned Acts is normally taken by the Minister or his officials unless any negotiating machinery suitable for dealing with the dispute has been fully utilised. The overriding principle is that where there is procedure drawn up by an industry for dealing with disputes, that procedure should be followed. Even where there is no agreed procedure of this kind it is desirable that the parties themselves should make an endeavour to reach a settlement. In either case some evidence of the use of procedure or of an attempt to reach agreement must generally be forthcoming before formal intervention by the Ministry takes place. The knowledge, however, that the services of the Ministry are available results in requests for advice or assistance when difficulties occur and Conciliation Officers are thus enabled to prevent many differences from becoming active disputes.

ARBITRATION

7. Under both the Conciliation Act, 1896, and the Industrial Courts Act, 1919, provision is made for voluntary arbitration; that is, arbitration by consent of both parties. There is no means under these Acts of compelling an unwilling party to go to arbitration. The two Acts together allow great flexibility in regard to forms of arbitration. It is important to note that apart from the need for the consent of both sides, the Minister is under an obligation to avoid a reference to arbitration unless there has been a

failure to obtain a settlement by means of any agreed arrangements that exist in the industry concerned for settlement by conciliation or arbitration. Arbitration awards under these two Acts are not legally binding on the parties concerned. Since, however, they result from a joint desire for settlement by arbitration the question as to enforcement does not in practice arise. While the awards are not legally enforceable, once they are accepted or acted upon they form a term or condition of the contract of employment.

The Acts provide for reference of cases by the Minister for arbitration by :—

- (1) the Industrial Court ; or
- (2) one or more persons appointed by the Minister ; or
- (3) a Board of Arbitration.

The Industrial Court

8. The Industrial Court was established under the Industrial Courts Act, 1919, following the recommendation by the Whitley Committee that there should be a Standing Arbitration Council "... to which differences of general principles and differences affecting whole industries or large sections of industries may be referred in cases where the parties have failed to come to an agreement through their ordinary procedure, and wish to refer the differences to arbitration. Such tribunal should include in its membership persons who have practical experience and knowledge of industry, and who are acquainted with the respective standpoints of employers and workpeople."

9. The Court is a permanent and independent tribunal and is not in any way subject to Government or Departmental control or influence. It is not a court of law and its decisions are not legally enforceable, but it has been held that when a decision has been accepted or acted upon it forms a term or condition of the contract of employment.

The members of the Court are appointed by the Minister of Labour and National Service and are independent persons, and persons representing employers and workpeople ; in addition one or more women have to be appointed. The Act provides that the Court may sit in Divisions and also that it shall be constituted by such members of the Court as the President directs. In practice, however, the President of the Court, who is appointed by the Minister, and two whole-time members, one from each of the panels representing employers and workpeople, have generally dealt with the cases referred to the Court, and the other members have been called only in the absence through illness or other cause of the whole-time members or where the cases affected women.

10. The rules of the Court (see Appendix II) allow the President to decide whether any case should be dealt with by a single member or by several members. They also permit representation by Counsel or Solicitors, with the consent of the Court, and allow the

Court to appoint assessors. The rules further provide that in the event of a question arising regarding the interpretation of an award, the Minister of Labour and National Service, or any of the parties concerned, may ask the Court for a decision on the matter. Where necessary the Court will arrange for a further hearing before giving such a decision.

11. The Act provides that, where the members of the Court are unable to agree as to an award, the matter should be decided by the Chairman, who is normally the President of the Court, acting with the full powers of an Umpire.

12. In addition to its arbitral functions, the Court may be asked to give advice to the Minister of Labour and National Service on any question connected with a trade dispute or any other matter which, in his opinion, ought to be referred to the Court. A few references have been made to the Court under this provision.

13. Since the Industrial Court was first established, its scope has been extended under the provisions of later Acts. The Sugar Industry (Reorganisation) Act, 1936, the Road Traffic Act, 1930, the Road and Rail Traffic Act, 1933, the Bacon Industry Act, 1938, and the Cinematograph Films Acts, 1938 and 1948, which provide assistance to, or regulate the operations of, the industries concerned, contain provisions for the payment of fair wages and conditions within the intention of the Fair Wages Resolution of the House of Commons, and for the reference to the Industrial Court, of any dispute regarding wages or conditions which cannot be otherwise disposed of. The Road Traffic Act, 1930, contains the further provision that the Minister of Transport may, on receiving representations from appropriate organisations of employers and workpeople concerning the periods of duty of drivers of certain vehicles, refer the matter to the Industrial Court for advice.

The Road Haulage Wages Act, 1938, empowers certain road haulage workers or their Trade Unions to make application to the Minister of Labour and National Service if the workers' remuneration is considered to be unfair, and provides that the Minister shall refer the matter to the Industrial Court for settlement if it cannot be otherwise settled by any agreed arrangement within the industry.

The Industrial Court is also empowered under the Restoration of Pre-War Trade Practices Act, 1942, to deal with certain questions which may be referred to it in pursuance of an agreement to modify or waive the obligation imposed by the Act in respect of a pre-war trade practice.

The Civil Aviation Act, 1949, provides that any question as to whether terms and conditions of employment not otherwise regulated as specified in the Act, of persons employed by independent undertakings ought to be not less favourable than the terms

and conditions observed by the Airways Corporations, or as to what such terms and conditions should be, shall, if not otherwise disposed of, be referred by the Minister of Civil Aviation to the Industrial Court for settlement.

The National Health Service (Amendment) Act, 1949, provides that any dispute or difference arising with respect to the remuneration or conditions of service of persons employed or engaged in the provision of services under either the National Health Service Act, 1946, or the National Health Service (Scotland) Act, 1947, shall be deemed to be a trade dispute within the meaning of the Industrial Courts Act, 1919.

14. The Fair Wages Resolution of the House of Commons (see Chapter VII) provides that any question arising as to whether the requirements of the Resolution are being observed shall, if not otherwise disposed of, be referred by the Minister of Labour and National Service to an independent Tribunal for settlement. In practice, such questions are referred to the Industrial Court.

15. In addition to the foregoing statutory provisions for the reference of matters to the Industrial Court, many industrial agreements provide for the reference of outstanding disputes to the Court and for the acceptance by both parties of the Court's findings.

Single Arbitrators

16. Under both the Conciliation Act, 1896, and the Industrial Courts Act, 1919, trade disputes can be referred to single arbitrators appointed by the Minister of Labour and National Service. A single arbitrator usually acts alone but he may have the assistance of assessors: such assessors are not formally associated with the award in any way and the extent of their activities is a matter for the arbitrator to decide.

Boards of Arbitration

17. A third method of arbitration provided by the Industrial Courts Act is the setting up of a Board of Arbitration consisting of one or more persons nominated by the employers and an equal number of persons nominated by the work-people concerned, under the chairmanship of a person nominated by the Minister. Such a Board is temporary in character and is constituted for the purpose of arbitration in a particular dispute. Usually there are only three members of the Board, a chairman and two persons nominated by the employers and work-people respectively. In order to facilitate the selection of persons nominated in this way to act as members of such boards, it is incumbent on the Minister under the Act to constitute panels of suitable individuals. It is the practice to secure the consent of both parties, as part of their agreement to proceed to arbitration, to the Chairman acting with the powers of an Umpire as in the case of the Industrial Court.

Arbitration—General

18. The cost of the Industrial Court and the expenses of Boards of Arbitration and single arbitrators are borne by the Exchequer. No charge is made to industry in regard to arbitration under the auspices of the Department, but the parties have to bear their own travelling expenses and subsistence allowances as well as the cost of verbatim shorthand notes if these are specially ordered by either party and not by the Chairman.

The Industrial Court has its own permanent secretariat. In cases involving single arbitrators and special *ad hoc* Boards the Ministry may provide a secretary. Single arbitrators and Chairmen of Boards are entitled to fees on a recognised scale.

19. Parties to arbitration are sometimes represented by Counsel or Solicitors. It is the practice of the appointed arbitration authority when one side wishes to be legally represented to notify the other side of the fact beforehand.

20. If either party to an award of a board of arbitration or a single arbitrator desires to raise a question of interpretation of the award, the matter must be referred to the Minister who normally requires the consent of the other party before referring the question to the board or the arbitrator. (The interpretation of awards of the Industrial Court is dealt with in paragraph 10 above.)

21. Industrial Court awards are published individually by H.M. Stationery Office. Awards of arbitrators appointed at the request of the parties concerned are regarded as the property of the parties and their contents are not published or made available to others without their consent.

INVESTIGATION AND INQUIRY

Courts of Inquiry

22. Under Part II of the Industrial Courts Act, 1919, the Minister has power to inquire into the causes and the circumstances of any trade dispute whether reported to him or not, and, if he thinks fit, to appoint a Court of Inquiry to inquire into the matter and report to him. Courts of Inquiry have no direct relationship with conciliation or arbitration, and normally it would not be considered expedient to appoint a Court of Inquiry until an attempt had been made to settle the dispute by conciliation. The decision to appoint a Court of Inquiry rests with the Minister and the consent of the parties to the appointment of a Court is not required.

23. Courts of Inquiry are primarily a means of informing Parliament and public opinion of the facts and underlying causes of a

dispute. A Court is appointed only as a last resort when no agreed settlement of a dispute seems possible, and when an un-biassed and independent examination of the facts is considered to be in the public interest. It is obvious, therefore, that the power to set up a Court of Inquiry can only be used sparingly and it is reserved for matters of major importance affecting the public interest.

24. A Court of Inquiry may consist of one or more persons, selected and appointed by the Minister. The Chairman is always an independent person, but the other Members of the Court may consist of persons representing in equal numbers employers and workers outside the industry concerned. No definite rules of procedure have been laid down by regulation but the Minute of Appointment usually embodies certain rules which have in practice been found desirable. A Court of Inquiry may be authorised to require persons with knowledge of the subject matter to furnish information and where necessary to attend before the Court and give evidence on oath.

25. Whilst it is not the function of a Court of Inquiry to act as an instrument of conciliation or arbitration, and a Court has no power to enforce a settlement, a Court may make recommendations upon which a reasonable settlement of the dispute can be based. Neither party to the dispute is bound to put into operation any recommendations which a Court may make. Experience has proved, however, that an informed and impartial public examination of the facts and circumstances has considerable value in providing a basis for further negotiations and thus leading to a settlement.

26. The Act requires that any report of a Court of Inquiry shall be laid as soon as may be before both Houses of Parliament. (See Appendix III for a list of the reports).

Committees of Investigation

27. The powers vested in the Minister under the Conciliation Act, 1896, enable him to inquire into the causes and circumstances of a dispute. For the exercise of this power the Minister may appoint a single independent person sitting alone or a small committee (usually termed "Committee of Investigation") constituted on the same lines as Courts of Inquiry. A Committee constituted in this way does not have the same powers as a Court of Inquiry to call for information, and its report is not laid before Parliament. The procedure is therefore less formal and a Committee is normally used in cases where the public interest is not so wide and general as to call for a Court of Inquiry. Just as in the case of a Court of Inquiry, however, the report made by the Committee to the Minister may lead to an agreed settlement of the dispute.

CHAPTER VI

STATE PROVISION FOR THE SETTLEMENT OF DISPUTES BY COMPULSORY ARBITRATION

1. As indicated in the previous chapter, industrial arbitration is provided for by the permanent law of Great Britain only where it is voluntary and by the consent of both sides. During the second world war, however, it was found necessary to supplement this system by a form of "compulsory arbitration" which could be invoked by one party to a dispute without the agreement of the other. Though originally introduced purely as a war-time measure, this system of compulsory arbitration remained in force after 1945 and was further continued in a modified form in 1951. It is based, however, upon emergency powers and is not part of the permanent arrangements for industrial arbitration in this country.

2. On the outbreak of war in 1939 the Government decided, in accordance with its general policy (see Chapter XIII), to rely for the avoidance of trade disputes upon the industrial joint machinery, supplemented by conciliation and voluntary arbitration. In the opening stages of the war this policy was successful. There were no trade disputes of outstanding importance and, although minor stoppages of work occurred, the great majority of them affected only individual establishments and were of very short duration. But following the fall of France in the Spring of 1940, the increase of war production became an even more vital need. On 22nd May, 1940, the National Joint Advisory Council appointed a Joint Consultative Committee, consisting of seven representatives of the British Employers' Confederation and seven representatives of the Trades Union Congress, to advise and assist the Minister of Labour and National Service on matters arising in the period of emergency. This Committee unanimously made the following recommendations :—

" (1) In this period of national emergency it is imperative that there should be no stoppage of work owing to trade disputes. In these circumstances the Consultative Committee representing the British Employers' Confederation and the Trades Union Congress have agreed to recommend to the Minister of Labour and National Service the arrangements set out in the following paragraphs.

" (2) The machinery of negotiation existing in any trade or industry for dealing with questions concerning wages and conditions of employment shall continue to operate.

“Matters in dispute which cannot be settled by means of such machinery shall be referred to arbitration for a decision which will be binding on all parties and no strike or lock-out shall take place. In cases where the machinery of negotiation does not at present provide for reference to such arbitration the parties shall have the option of making provision for such arbitration, failing which the matters in dispute shall be referred for decision to a National Arbitration Tribunal to be appointed by the Minister of Labour and National Service. The Minister shall take power to secure that the wages and conditions of employment settled by the machinery of negotiation or by arbitration shall be made binding on all employers and workers in the trade or industry concerned.

“(3) In any case not covered by the provisions of paragraph (2), any dispute concerning wages or conditions of employment shall be brought to the notice of the Minister of Labour and National Service by whom, if the matter is not otherwise disposed of, it shall be referred within a definite time limit to the National Arbitration Tribunal for decision, and no strike or lock-out shall take place.

“(4) The foregoing arrangements shall be subject to review on or after 31st December, 1940.”

3. The principles of the foregoing recommendations were accepted by the Minister, and effect was given to them by means of a Defence Regulation* empowering the Minister of Labour and National Service to make an Order for prohibiting, subject to the provisions of the Order, a strike or lock-out in connection with any trade dispute. This Regulation preserved the power to refer trade disputes for settlement under the Industrial Courts Act, 1919.

The Conditions of Employment and National Arbitration Order, 1940

4. The Order made under the Defence Regulation was entitled the Conditions of Employment and National Arbitration Order, 1940 (S.R. & O. 1940, No. 1305) and came into force on 25th July, 1940. Its terms were settled in consultation with the Joint Consultative Committee and the National Joint Advisory Council. A number of amending Orders† were subsequently made but these did not affect the main provisions of the original Order.

5. The main purpose of the Order (which became commonly known as “Order 1305”) was, as already indicated, to prevent work from being interrupted by trade disputes. At the same time the principle underlying all its provisions was in line with earlier policy. Thus, the Order provided that existing joint machinery in any

*Defence Regulation 58AA (S.R. & O. 1940, No. 1217).

†S.R. & O. 1941, No. 1884; 1942, Nos. 1073 and 2673; 1944, No. 1437; and S.I. 1950, No. 1309.

trade or industry should continue to operate, and reported disputes were only taken to compulsory arbitration where the matter could not be settled by negotiation between the parties or by an agreed reference to voluntary arbitration. It was recognised, however, that to achieve the full purpose of the Order, it was necessary not only to supplement existing machinery for the settlement of differences by providing an ultimate resort to arbitration, but also to require recognised wages and working conditions to be observed and so to minimise the causes of disputes. Consequently, while Part I of the Order provided for the settlement of disputes by negotiation and if necessary by arbitration, Part III made it obligatory upon employers in every district to observe terms and conditions which had been settled by collective agreement or by arbitration for the trade concerned in that district. Part II of the Order prohibited lock-outs and strikes unless the difference had been reported to the Minister and had not been referred by the Minister for settlement within three weeks from the date on which the difference was reported to him. Part IV of the Order (which was little used in practice) provided for the recording of departures from trade practices during the war, with a view to facilitating the operation of legislation for the restoration of those practices after the war. (See Appendix IV).

Provisions of the Order

6. *Part I.*—The National Arbitration Tribunal established under this part of the Order was constituted, for the purposes of any particular case, of five members, three being Appointed Members, one of whom was Chairman, together with two other members, one of whom represented workers and the other employers. The members were selected for each case by the Minister of Labour and National Service from a panel of Appointed Members and from two panels of Representative Members constituted by the Minister after consultation with the Trades Union Congress and the British Employers' Confederation.

7. Either party to a trade dispute* could report such dispute to the Minister. The report had to be made in writing and had to contain such particulars as the Minister might require. If in the trade or industry concerned there was collective joint machinery which was suitable for settling the dispute, the Minister had to refer the dispute to that machinery. If, as a result, there was failure to reach a settlement or a settlement appeared to the Minister to be unduly delayed, he could cancel the reference and refer the dispute to the National Arbitration Tribunal. In cases in which there was no suitable joint machinery in existence and

*The term "trade dispute" was defined in the Order as "any dispute or difference between employers and workmen or between workmen and workmen connected with the employment or non-employment, or the terms of the employment or with the conditions of labour of any person".

there was failure to settle the dispute by conciliation, the Minister could forthwith refer the dispute for settlement to the National Arbitration Tribunal.

8. If the dispute had not been otherwise settled under the foregoing procedure, the Minister was bound to refer the dispute to the National Arbitration Tribunal within twenty-one days from the date on which the dispute had been reported to him, unless there were special circumstances which made it necessary or desirable to postpone such a reference. Experience showed that further time might make it possible for the parties to reach a settlement and, in practice, many disputes reported were settled in one way or another without reference to arbitration. But unless a settlement was reached otherwise, the case had ultimately to be referred to the National Arbitration Tribunal. Any agreement, decision or award which resulted from such references by the Minister, whether to existing joint machinery or to the National Arbitration Tribunal, was binding upon the parties and the terms of the settlement became an implied term of the contract between the employers and workers to whom the agreement or award related. If, after a dispute had been reported under the Order, the parties agreed that it should be referred to some form of voluntary arbitration, e.g. the Industrial Court, and the reference to arbitration was made under the Order, the resulting award became binding in the same way.

9. *Part II* prohibited a lock-out or strike in connection with a trade dispute unless the dispute had been reported to the Minister and had not been referred by him for settlement within twenty-one days from the date of the report.

10. *Part III* required the observance by all employers of terms and conditions not less favourable than "recognised terms and conditions". These were defined as "terms and conditions of employment which have been settled by machinery of negotiation or arbitration to which the parties are organisations of employers and trade unions." The organisations had to be representative, respectively, of substantial proportions of employers and workers engaged in the trade or industry in the district concerned. The terms and conditions applicable under voluntary collective agreements, decisions of Joint Industrial Councils and similar joint bodies, arbitration awards and statutory provisions relating to wages and working conditions such as Wages Regulation Orders under the Catering Wages Act, 1943, and the Wages Councils Act, 1945, were not to be deemed less favourable than the recognised terms and conditions. As regards statutory provisions, however, where better wages and conditions in respect of a particular employer or an employers' organisation had been settled by agreement or arbitration, these agreed wages and conditions had

to be observed by those employers who were parties to such settlements.

11. Questions arising as to the terms and conditions which should be observed in particular cases could be reported to the Minister and, unless otherwise settled, had to be referred to the National Arbitration Tribunal in the same way as disputes reported under Part I. An important condition was that these questions could be reported only by an organisation of employers or a Trade Union which habitually took part in the settlement of wages and working conditions in the trade concerned. Any award by the Tribunal on a question referred to it was binding in the same way as an award on a dispute.

Post-war developments

12. It was generally agreed that during the war the Order played an effective part in preventing the interruption of work by strikes and lock-outs and proved a valuable supplement to the joint machinery of negotiation and the normal system of conciliation and voluntary arbitration. In 1945, when the war had ended, the Minister of Labour and National Service consulted the National Joint Advisory Council about the future of the Order, and the Council agreed that it should continue in force for the time being, on the understanding that it would be reviewed at any time on the request of either side of the Council. Accordingly the Order remained in force throughout the immediate post-war period and a large number of disputes continued to be reported and dealt with under its provisions.

13. There was, however, a section of opinion in the trade union movement which was opposed to the continuance of the Order, particularly to those of its provisions which made it a criminal offence to take part in a strike. At first this opposition made little headway, but following two prosecutions of strikers—the first since the end of the war—one of which took place in the autumn of 1950 and the other in the spring of 1951, it became clear that the provisions of the Order which prohibited strikes and lock-outs no longer commanded general assent. During the spring and summer of 1951 the Minister held a series of discussions with the Joint Consultative Committee of the National Joint Advisory Council with the object of reaching agreement upon the terms of a new Order which would revoke and replace the Order of 1940.

14. The Order of 1940, with its amending Orders, was revoked on 14th August, 1951, by a new Order, the Industrial Disputes Order, 1951 (see paragraph 15). From 25th July, 1940, the date when the Order of 1940 came into operation, up to 14th August, 1951, when it came to an end, the total number of cases reported under it was 4,510. These cases were dealt with as follows :—

Referred to National Arbitration Tribunal	2,092
Referred to arbitration under the Industrial Courts Act, 1919, and the Conciliation Act, 1896	252
Total referred to arbitration	2,344
Settled following reference to joint machinery	200
Withdrawn or settled by agreement between the parties	1,745
Cases in action at 14th August, 1951, and subsequently dealt with under the new Order	221
	<u>4,510</u>

The Industrial Disputes Order, 1951

15. The outcome of the discussions referred to in paragraph 13 was the Industrial Disputes Order, 1951 (S.I. 1951, No. 1376), which was made, like its predecessor, under emergency powers, and came into force on 14th August, 1951. The new Order made provision for compulsory arbitration on similar lines to those of Order 1305, and its general object was to provide a ready means for the peaceful settlement of disputes while supporting and encouraging the joint machinery of negotiation to the fullest possible extent. The Industrial Disputes Order did not, however, contain any prohibition of strikes and lock-outs and there were a number of other differences between the old and the new Orders, of which the following were the most important :—

(a) Under Order 1305 a dispute could be reported by or on behalf of either party to the dispute and no other limit was placed upon the right to make effective reports under the Order. It was therefore possible for the Order to be used by bodies not parties to any established machinery and without regard to their membership, by groups of unorganised workers, or by Trade Union branches acting against the advice of their Executive. The new Order introduced certain restrictions designed to prevent this and to strengthen the existing voluntary machinery.

(b) Certain types of dispute which experience had shown to be unsuitable for settlement by compulsory arbitration were excluded from the scope of the new Order.

(c) The National Arbitration Tribunal was replaced by a new Tribunal similarly constituted.

(d) The new Order provided that a dispute which had been the subject of a decision by joint machinery for the settlement of disputes, or of an award under the Conciliation Act, 1896,

or the Industrial Courts Act, 1919, could not be dealt with under the Order. The purpose of this provision was to uphold the authority of the voluntary machinery.

(e) The general obligation imposed by Order 1305 upon employers to observe the recognised terms and conditions of employment (or terms and conditions not less favourable) was not continued in the new Order, but provision was made for the reporting of "issues" concerning the observance of such terms and conditions by an individual employer.

Main provisions of the Industrial Disputes Order

16. The following paragraphs summarise the main provisions of the Industrial Disputes Order.

17. A dispute* may be reported to the Minister on behalf of one of the parties to the dispute by an organisation of employers, by an individual employer where the dispute is between that employer and his workers, or by a trade union. The report may be dealt with under the provisions of the Order if it appears to the Minister either that there is voluntary negotiating machinery for settling the terms and conditions of employment and that the organisation of employers, employer or trade union reporting the dispute habitually takes part in the settlement of terms and conditions of employment through that machinery, or that there is no such machinery and that where the report is made by an organisation of employers or a trade union the organisation or trade union represents a substantial proportion of the workers or employers in the industry or section of industry concerned (Article 1). Reports must be made in writing and must contain such particulars as the Minister may require (Article 3).

18. If the Minister considers that there is suitable joint machinery for settling a dispute reported to him under the Order, and that all practicable means of reaching a settlement through that machinery have not been exhausted, he is bound to refer the dispute to that machinery (Article 5). Otherwise he may take any steps he thinks fit, by conciliation or other means, to promote a settlement of the dispute (Article 4); provided the parties agree, he may refer the dispute to some form of voluntary arbitration, e.g. under the Industrial Courts Act, 1919. If, however, a dispute has already been the subject of an agreement, decision or award arrived at through joint machinery, or of an award under

*The term "dispute" as defined in the Order "does not include a dispute as to the employment or non-employment of any person or as to whether any person should or should not be a member of any trade union but, save as aforesaid, means any dispute between an employer and workmen in the employment of that employer connected with the terms of the employment or with the conditions of labour of any of those workmen". It will be seen that this is somewhat narrower than the corresponding definition in the Order of 1940.

the Conciliation Act or the Industrial Courts Act, that agreement, decision or award must be treated, for the purposes of the Order, as constituting a final settlement, and the dispute cannot be dealt with under the provisions of the Order (Article 6).

19. The former National Arbitration Tribunal is replaced by a new body called the Industrial Disputes Tribunal which is constituted on similar lines. As under the old Order, the Tribunal consists for the hearing of a particular case of five members, three of whom are drawn from a panel of Independent Members appointed by the Minister and one each from panels of employers and workers' representatives appointed by the Minister after consultation with the British Employers' Confederation and the Trades Union Congress respectively (Article 7). If all other steps have failed to settle the dispute, the Minister must refer it to the Industrial Disputes Tribunal, and he must do so within 14 days of the dispute being reported unless (as very often happens in practice) he considers it desirable to extend the period in order to allow more time for conciliation or negotiation between the parties. If the Minister considers that some form of coercive action, such as a strike or lock-out, is being taken by either party in connection with a dispute, he may delay the reference of that dispute to the Tribunal; if he has already referred it, he may notify the Tribunal that such action is taking place and in that event all proceedings before the Tribunal are stopped until the Minister cancels the notification (Article 8).

20. A Trade Union or employers' organisation which habitually takes part in the settlement of terms and conditions in the industry (or section of industry) concerned may report to the Minister an "issue" about whether a particular employer should observe the recognised terms and conditions of employment* (Article 2). Such an issue must, unless otherwise settled, be referred by the Minister to the Industrial Disputes Tribunal. If the Tribunal considers that there are recognised terms and conditions applicable to the case and that the employer is not observing them (or terms and conditions at least as favourable), it may, by its award, require the employer to observe the recognised terms and conditions, or such terms and conditions as it may determine to be not less favourable (Article 9).

21. Any award made by the Industrial Disputes Tribunal, whether on a dispute or on an issue, becomes an implied term of the contract between the employers and workers concerned and is legally enforceable by civil action in the Courts in the same way as an award of the former National Arbitration Tribunal (Article 10).

*As in the case of Order 1305, these are defined as terms and conditions "which have been settled by machinery of negotiation or arbitration to which the parties are organisations of employers and trade unions representative respectively of substantial proportions of the employers and workers engaged in that trade or industry or section of trade or industry in that district".

22. In a statement in the House of Commons at the time when the Industrial Disputes Order was made, the then Minister of Labour and National Service emphasised that the Order was of an experimental character and had been made on the understanding that it would be reviewed immediately at any time on the request of either side of industry. He added :—

“ I venture to hope that this may not be necessary and that the Order may provide a piece of machinery suitable for our peace-time requirements and capable of rendering the maximum assistance to industry in the settlement of disputes peaceably without recourse to lock-out or strike. Our industrial relations system rests on the voluntary principle and it is my hope that that principle and that system will be strengthened by this new Order. No piece of machinery can, however, be successful without goodwill and I have endeavoured to devise an Order which will command the goodwill of both sides and operate to the advantage of the community as a whole ”.

CHAPTER VII

FAIR WAGES RESOLUTIONS OF THE HOUSE OF COMMONS AND ACTS EMBODYING THE PRINCIPLE LAID DOWN IN THESE RESOLUTIONS

Fair Wages Resolution of 1891

1. The original Fair Wages Resolution was passed by the House of Commons on 13th February, 1891, and was in the following terms :—

“ That in the opinion of this House, it is the duty of the Government in all Government contracts to make provision against the evils recently disclosed before the Sweating Committee, to insert such conditions as may prevent the abuse arising from sub-letting, and to make every effort to secure the payment of such wages as are generally accepted as current in each trade for competent workmen.”

The Resolution was therefore directed to three points :—(1) the prevention of evils disclosed by the Sweating Committee, (2) the prevention of abuses arising from sub-letting, and (3) the payment of “ current ” rates of wages. The object was to protect contractors against under-cutting by bad employers and to ensure that workpeople employed on Government contract work received wages not less favourable than those paid by good employers in the trade.

2. There appears to have been no uniformity in the application of the Resolution to contracts entered into by Government Contracting Departments or in the methods by which the requirements were enforced, and in August, 1907, the Treasury appointed a Committee, consisting of representatives of the various Contracting Departments, presided over by Sir George Murray (then Secretary to the Treasury) to consider the position. The main conclusion of the Committee was that the wording of the Fair Wages Clause in Government contracts, which obliged the contractor to pay current rates of wages to competent workmen in the district where the work was carried out, should be retained. The Committee also made recommendations as to the exhibition of notices ; the publication of names and addresses of firms obtaining Government contracts ; that all clauses in contracts affecting the same trades should be uniform among all departments ; and for the setting up of a committee of representatives of the different Contracting Departments to ensure co-ordination.

Fair Wages Resolution of 1909

3. On 10th March, 1909, a new Resolution, based on the Murray Committee's recommendation, was adopted by the House. The Resolution was as follows :—

" That, in the opinion of this House, the Fair Wages Clauses in Government contracts should be so amended as to provide as follows :—The Contractor shall, under a penalty of a fine or otherwise, pay rates of wages and observe hours of labour not less favourable than those commonly recognised by employers and trade societies (or in the absence of such recognised wages and hours, those which in practice prevail amongst good employers) in the trade in the district where the work is carried out. Where there are no such wages and hours recognised or prevailing in the district, those recognised or prevailing in the nearest district in which the general industrial circumstances are similar shall be adopted. Further, the conditions of employment generally accepted in the district in the trade concerned shall be taken into account in considering how far the terms of the Fair Wages Clauses are being observed. The Contractor shall be prohibited from transferring or assigning directly, or indirectly, to any person or persons whatever any portion of his contract without the written permission of the Department. Sub-letting other than that which may be customary in the trade concerned, shall be prohibited. The Contractor shall be responsible for the observance of the Fair Wages Clauses by the Sub-Contractor."

In moving the Resolution Mr. Buxton (the Postmaster-General) referred to words which he had used in moving the original Resolution, when he said : "... no-one proposes that the Government should fix the rate of wages. All that is asked is that the Government should accept as Fair Wages those rates of wages

which prevail in any particular trade; the rate that has been fixed by negotiation between employers and workmen."

Fair Wages Advisory Committee

4. Following the passing of the Resolution, the Treasury appointed, on 22nd June, 1909, an Advisory Committee on the Fair Wages Clauses of Government Contracts, the members of the Committee being officers of the principal Contracting Departments. The functions of the Committee were to advise the Government Departments dealing with contractors as to the form of clauses in contracts by which the Resolution of the House of Commons of 10th March, 1909, could best be carried into effect, and as to the methods of securing observance of such clauses, and generally to make such recommendations as might be deemed advisable to promote uniformity of administration and co-operation between Departments in dealing with the question of payment of fair wages by Government contractors. It was made clear from the start that the Committee was not in any sense an arbitration tribunal, that it was entirely within the discretion of a contracting Department to invite the advice of the Committee, and that the final responsibility in any particular case rested with the Department concerned. The administration of the Fair Wages Clauses was therefore a matter for the Contracting Department concerned, subject to any advice that from time to time might be invited from and offered by the Fair Wages Advisory Committee.

The Committee subsequently recommended a common form of Fair Wages Clause to be used as far as possible by all Government Departments. The main Clause placed upon contractors an obligation to observe rates of wages and hours of labour in accordance with the terms of the Resolution, but owing to legal difficulties omitted the words "under a penalty of a fine or otherwise." The Committee also recommended that in the case of contracts which are not entered into by a Government Department, but which involve the expenditure of public money or some other consideration granted by a Government Department, the Department concerned should require the insertion in such contracts of Fair Wages Clauses as recommended, with such modifications as might be necessary in particular cases.

Extended Application of Fair Wages Resolution

5. The Fair Wages Resolution of the House of Commons was concerned only with Government contracts but the principle of the Resolution has in course of time been widely extended. Although it has not been applied compulsorily to the contracts of Local Authorities, they were recommended by the Government to adopt the policy followed in the case of Government contracts, and it may be assumed that the Standing Orders of the majority of Local Authorities in Great Britain now provide for the inclusion

of a Fair Wages Clause in contracts, although it is known that many Local Authorities have their own form of Clause which differs in some respects from the Clause used in Government contracts.

The Corporations of nationalised industries also, as a general practice, insert in contracts a Fair Wages Clause based on the Fair Wages Resolution.

The principle of the Resolution has also been embodied in a large number of Acts which provide assistance to industries or Public Authorities by way of grant, loan, subsidy, guarantee or licence. The following Acts may be given as examples :—

(1) *Sugar Industry (Reorganisation) Act, 1936*—to provide for the reorganisation of, and financial assistance to the sugar industry.

(2) *Road Traffic Act, 1930*—to make provision for (a) the regulation of traffic on roads, (b) the protection of third parties against risks arising out of the use of motor vehicles : to amend the law with respect to the power of Local Authorities to provide public service vehicles.

(3) *Road and Rail Traffic Act, 1933*—to make provision for regulating the carriage of goods on roads by motor vehicles ; etc.

(4) *London Passenger Transport (Agreement) Act, 1935*—to authorise the Treasury to guarantee securities in accordance with an agreement regarding a scheme of works.

(5) *Bacon Industry Act, 1938*—to provide for the better organisation of the bacon industry and the pig producing industry and to provide for payments out of and into the Exchequer.

(6) *Cinematograph Films Acts, 1938 and 1948*—to make further provision for securing the renting and exhibition of a certain proportion of British cinematograph films ; to make provision as to the wages and conditions of employment of persons employed by makers, renters and exhibitors of cinematograph films.

The normal practice is to require that the wages and conditions of employment of persons employed under the provisions of the Acts shall not be less favourable than the wages and conditions which would have to be observed under a contract which complied with the requirements of any Resolution of the House of Commons for the time being in force applicable to the contracts of Government Departments.

Amendment of Fair Wages Resolution of 1909

6. Following representations as to the need for amendment of the Resolution in the light of changed circumstances, particularly the wide extension of collective agreements arrived at by joint negotiating machinery, the Government decided in 1937 that a

further review of the position by a committee was necessary. This committee had not completed its inquiry when war broke out, but as a result of discussions which had been initiated following the appointment of the committee, an Agreement was reached in 1942 between the British Employers' Confederation and the Trades Union Congress and the Government on the draft of a new Resolution.

At that date the Conditions of Employment and National Arbitration Order, 1940, was in operation as a war measure and the obligations of Government contractors with regard to wages and conditions of employment were to a large extent determined by that Order. There was accordingly no immediate need to amend the existing Resolution and it was agreed that the submission of a new Fair Wages Resolution to the House of Commons should be allowed to stand over until the end of the war, which would provide opportunity for considering any further changes that might be necessary in the light of developments with regard to the enforcement of industrial agreements.

7. The new Fair Wages Resolution was adopted by the House of Commons on 14th October, 1946. It reads as follows :—

“ 1. (a) The contractor shall pay rates of wages and observe hours and conditions of labour not less favourable than those established for the trade or industry in the district where the work is carried out by machinery of negotiation or arbitration to which the parties are organisations of employers and trade unions representative respectively of substantial proportions of the employers and workers engaged in the trade or industry in the district.

“ (b) In the absence of any rates of wages, hours or conditions of labour so established the contractor shall pay rates of wages and observe hours and conditions of labour which are not less favourable than the general level of wages, hours and conditions observed by other employers whose general circumstances in the trade or industry in which the contractor is engaged are similar.

“ 2. The contractor shall in respect of all persons employed by him (whether in execution of the contract or otherwise) in every factory, workshop or place occupied or used by him for the execution of the contract comply with the general conditions required by this Resolution. Before a contractor is placed upon a department's list of firms to be invited to tender, the department shall obtain from him an assurance that to the best of his knowledge and belief he has complied with the general conditions required by this Resolution for at least the previous three months.

“ 3. In the event of any question arising as to whether the requirements of this Resolution are being observed, the question

shall, if not otherwise disposed of, be referred by the Minister of Labour and National Service to an independent Tribunal for decision.

" 4. The contractor shall recognise the freedom of his workpeople to be members of Trade Unions.

" 5. The contractor shall at all times during the continuance of a contract display, for the information of his workpeople, in every factory, workshop or place occupied or used by him for the execution of the contract a copy of this Resolution.

" 6. The contractor shall be responsible for the observance of this Resolution by sub-contractors employed in the execution of the contract, and shall if required notify the department of the names and addresses of all such sub-contractors."

The most important changes involved in the adoption of the 1946 Resolution are as follows :—

(1) The standard of fair wages is no longer solely the practice of "good employers" in the district. The employer is required to observe such conditions as have been established for the trade or industry in the district by representative joint machinery of negotiation or by arbitration.

(2) The contractor is required to observe "fair" conditions of labour as well as "fair" wages and to apply them to all persons employed by him in every factory, workshop or place where the contract is being executed. Contracting Departments require an assurance from a new contractor that to the best of his knowledge and belief he has complied with the general conditions of the Resolution for at least the previous three months.

(3) Under the old Resolution the Minister of the Contracting Department had, if called upon, to decide whether or not fair wages were being paid. Under the new Resolution any such questions are reported to the Ministry of Labour and National Service and if not disposed of by negotiation, are referred to arbitration.

(4) The contractor is required to recognise the freedom of his workpeople to be members of Trade Unions.

Procedure for settling questions and complaints

8. The Resolution itself does not lay down any procedure for settling questions and complaints beyond requiring that questions shall be referred by the Minister of Labour and National Service to an independent tribunal. In practice the usual action is as follows. Allegations that contractors are not observing the resolution may be received by the Contracting Department or are made direct to the Ministry of Labour and National Service. In either case, the contractor is reminded of his obligations under the

Fair Wages Resolution and he is informed of the complaint. If necessary the Ministry of Labour and National Service endeavours to arrange an amicable settlement of the difference by conciliation. Failing such settlement and a withdrawal of the complaint the question is referred to an independent tribunal, in practice the Industrial Court, for decision. The procedure of the Court is the same as for disputes referred under the Industrial Courts Act.

CHAPTER VIII

STATUTORY WAGE REGULATION

1. Although terms and conditions of employment in Great Britain are for the most part settled by collective agreements reached by voluntary methods without State intervention, statutory regulation has been applied to certain trades or industries where machinery for regulating the remuneration either does not exist or is not, and cannot be made, adequate for that purpose.

2. The principal Acts dealing with the regulation of wages are as follows :—

(1) *The Wages Councils Acts 1945 to 1948*

These Acts provide for the establishment of Wages Councils with power to submit proposals to the Minister of Labour and National Service for fixing remuneration to be paid by their employers to all or any of the workers in relation to whom the Council operates and for requiring employers to allow their workers holidays with pay.

(2) *The Agricultural Wages Act, 1948. The Agricultural Wages (Scotland) Act, 1949*

These Acts consolidated previous legislation relating to wages and holidays of agricultural workers in England and Wales and Scotland respectively.

(3) *The Cotton Manufacturing Industry (Temporary Provisions) Act, 1934*

This Act was designed to secure the observance of voluntary agreements reached by organised sections of the cotton manufacturing industry in face of competition from unorganised sections operating lower standards.

(4) *The Road Haulage Wages Act, 1938*

This Act substituted statutory regulation of wages by means of joint boards for a voluntary system which had broken down.

(5) *The Catering Wages Act, 1943*

This Act provided for the setting up of a Catering Wages

Commission which may recommend the establishment of a Wages Board in respect of any section of the industry where existing methods are considered to be inadequate and cannot suitably be improved.

3. While the Wages Councils Acts are in the nature of general legislation, the other Acts mentioned above are concerned with particular trades or industries and were framed to meet the particular circumstances and difficulties of the trade or industry concerned.

A distinctive feature of all legislation for the control of wages and working conditions is that the wage fixing authority in all cases includes representatives of the employers and workers in the trade concerned, and the basic idea of self-government in industry is retained, subject only to the safeguards necessary when mandatory powers are exercised.

The arrangements for the regulation of wages in the Cotton Manufacturing Industry differ fundamentally from those in the other industries mentioned above. No provision is made for the determination of wages by a statutory Board with independent members. The Act enabled statutory effect to be given throughout the weaving section of the cotton industry to rates of wages agreed between the representative voluntary organisations concerned. This piece of legislation was regarded as experimental, although the general principle involved was recommended in 1913 by the Industrial Council appointed by the Board of Trade.

(1) THE WAGES COUNCILS ACTS, 1945 to 1948

4. Agitation concerning the prevalence of extremely low wages in certain trades in the opening years of the present century led to the passing of the first Trade Boards Act, 1909. Under this Act Trade Boards were set up for four specific trades and the Act was later applied to four other trades.

5. In 1917 the Whitley Committee on Relations between Employers and Employed recommended that the machinery of the Trade Boards Act should be applied in those industries in which there existed little or no organisation "pending the development of such degree of organisation as would render possible the establishment of a National [Joint Industrial] Council or District Councils." Following this recommendation a second Trade Boards Act was passed in 1918. This empowered the Minister of Labour, to whom responsibility for the administration of the Trade Boards Act had now been passed, to establish a Trade Board by Special Order in respect of any trade if he was "of opinion that no adequate machinery exists for the effective regulation of wages throughout the trade and that accordingly, having regard to the

rates of wages prevailing in the trade or any part of the trade, it is expedient that the principal Act should apply to that trade." The Trade Boards Acts were repealed and superseded by the Wages Councils Act of 1945 (which was amended in 1948) and the 52 Trade Boards were converted into Wages Councils with the wider powers conferred by the Act.

6. A list of trades or parts of trades to the employers and workers in which the minimum wage-fixing machinery contained in the Wages Councils Acts, 1945 to 1948, and the Catering Wages Act, 1943, applies, is shewn in Appendix V. Approximately $2\frac{1}{4}$ - $2\frac{1}{2}$ million workers are affected.

Establishment of Wages Councils

7. The Wages Councils Act, 1945, besides converting all existing Trade Boards into Wages Councils, made provision for the establishment of new Wages Councils, the abolition of a Wages Council and the variation of scope of a Wages Council.

The Act provides three separate methods of procedure under which the Minister may make an Order establishing a Wages Council, subject in each case to certain provisions as to prior publicity and inquiry. These methods are as follows :—

(1) The Minister may, on his own initiative, make an Order providing for the establishment of a Council if he is of the opinion that there is no adequate voluntary machinery for the effective regulation of the remuneration of any workers and that, having regard to the remuneration of the workers, it is expedient that a Council should be established. This is substantially the basis on which Trade Boards were set up under the Trade Boards Act, 1918.

(2) An application can be made to the Minister by a Joint Industrial Council or other similar body or jointly by organisations of employers and workers which habitually take part in the settlement of wages and conditions of employment for the establishment of a Council on the ground that the existing machinery is likely to cease to exist or be adequate. If such an application is made, the Minister is required to refer it to a Commission of Inquiry provided he is satisfied that there are sufficient grounds for doing so.

(3) The Minister may on his own initiative ask a Commission of Inquiry to consider whether a Wages Council should be established if he considers that adequate machinery for the effective regulation of the remuneration of any workers does not exist or is likely to cease to exist or be adequate and that a reasonable standard of remuneration will not be maintained.

The principal difference between the first and third methods is that under the first the Minister may have regard only to the current position in the industry concerned, while under the third

it is possible for him to refer the matter to a Commission of Inquiry if he anticipates that future conditions in the industry are likely to justify the establishment of a Wages Council.

8. A Commission of Inquiry is appointed by the Minister and consists of not more than three independent persons, one of whom is appointed Chairman and another may be appointed Deputy Chairman, together with not more than two persons representing employers and two representing workers who are not themselves connected with the subject of the inquiry. The Minister may also appoint expert assessors to be available to the Commission but they have no vote and cannot be a party to any report or recommendation of the Commission. Notice is given of the establishment of the Commission and inviting written representations. The Commission is required to consider not only the subject matter of the reference but also any other relevant matter, and in particular whether there are any other workers engaged in work which is complementary, subsidiary or closely allied, whose position should be dealt with at the same time. If the Commission is of opinion that there exists machinery set up by agreement between organisations representing workers and employers which is adequate for regulating the remuneration and conditions of employment of those workers, or which can by improvements which it is practicable to secure be made adequate, the Commission has to report accordingly and may include in its report any suggestions which it may think fit to make as to the improvement of such machinery and the Minister has to take such steps as appear to him expedient and practicable to secure the improvements in question.

9. If the Commission is of opinion that machinery is not and cannot by any improvements which it is practicable to secure be made adequate or that the existing machinery is likely to cease to exist or be adequate for that purpose, and that as a result a reasonable standard of remuneration is not being or will not be maintained, the Commission may make a report embodying a "wages council recommendation" for the establishment of a Wages Council, and the Minister may, if he thinks fit, make a Wages Council Order giving effect to the recommendation.

10. Before the Minister makes a Wages Council Order, notice of his intention to do so has to be published in the London Gazette or Edinburgh Gazette (or both) stating where copies of the draft Order can be obtained and the period of not less than 40 days within which objections can be made. If there are no objections or if he is of opinion that the objections received were made to the Commission which made the wages council recommendation and were expressly dealt with in their report, or if the objections can be met by modifications which he proposes to make, or are frivolous, the Minister may make the Order in the terms of the draft or subject to such modifications as he thinks fit and which

do not effect important alterations in the character of the draft Order as published. Otherwise the Minister may either amend the draft Order and take the steps required to be taken in regard to an original draft Order, or refer the draft Order to a further Commission of Inquiry for inquiry and report, and may then make an Order either in the terms of the draft or with such modifications as he thinks fit.

11. The Wages Councils Act, 1948, provides that where the Minister takes the course of referring the draft Order to a second Commission of Inquiry he shall notify to the Commission the objections which he wishes the Commission to take into account. These objections must include all the objections he is himself required to consider other than those which in his opinion were made to the Commission which made the wages council recommendation and were expressly dealt with in its report, or are frivolous.

12. When a Wages Council Order is made it must be laid before Parliament together with any report of a Commission of Inquiry relating to it and may be annulled by resolution of either House of Parliament. The 1948 Act also requires the publication of every report of a Commission of Inquiry, that is, whether it leads to the making of a Wages Council Order or not.

13. The Minister is empowered to abolish a Wages Council or vary its field of operation. In either case the procedure in respect of publication of notice of intention and opportunity for objections is the same as that for the establishment of a new Wages Council. Under this power the Minister abolished the Furniture Manufacturing Wages Council (Great Britain) in 1947 consequent upon the establishment of two Joint Industrial Councils operating in respect of the classes of workers within the scope of the Wages Council, and in 1948 the Minister made two Orders to vary the field of operation of the Aerated Waters Wages Council (England and Wales) and of the Boot and Shoe Repairing Wages Council (Great Britain) at the request of the respective Councils so that certain additional classes of workers could be brought within the respective fields of operation.

14. The 1945 Act provides that an application for the abolition of a Wages Council may be made to the Minister jointly by organisations of workers and of employers representative of substantial proportions of the workers and employers concerned on the ground that they provide machinery which is, and is likely to remain, adequate for the effective regulation of remuneration and conditions of employment, and that on receipt of such an application the Minister shall either make an Order to give effect to it or refer the application to a Commission for inquiry and report. The 1948 Act amended the 1945 Act by providing that such an application may also be made by a Joint Industrial Council, Conciliation

Board, or other similar body constituted by organisations of workers and of employers representing respectively substantial proportions of the workers and employers concerned.

Field of Operation

15. Under the Trade Boards Acts the Minister was empowered to make an Order to apply the Acts "to any specified trade". It was accordingly necessary to define the particular trade when the Trade Board was being established. The definition usually stated the operations to be deemed operations in the trade and certain other operations to be deemed excluded. Under the Wages Councils Act, 1945, the Minister is empowered to establish a Wages Council "in relation to the workers described in the Order". It is accordingly necessary to define the workers in some such terms as those employed in an undertaking, or branch or department of an undertaking, engaged wholly or mainly in a specified trade or type of activity, which in turn is defined as consisting of certain specified operations but excluding other specified operations.

Wages Councils : Composition

16. A Wages Council consists of members representing employers and members representing workers in equal numbers, together with not more than three independent persons known as "Independent Members". The Minister is required to appoint one of the Independent Members to act as Chairman and another may be appointed by him to act as Deputy Chairman in the absence of the Chairman. Women as well as men are eligible for appointment.

17. Persons selected as Independent Members are usually members of the legal profession, University professors or social workers. Representative members are selected with a view to giving representation as far as possible to—

(a) all the main types of establishments and classes of workers affected, and

(b) the principal districts or centres in which the workers are employed.

To facilitate efficient administration the number of representative members on either side is limited to about 15, unless special circumstances justify a larger number.

18. All Wages Council appointments are personal appointments and are made by the Minister. Before appointing representative members the Minister is required to consult organizations representing respectively the employers and workers concerned, and while no seats are allocated for the purpose of giving representation to such organizations, it is the normal practice to appoint candidates suggested by them so far as they satisfy the above-mentioned requirements. Failing a sufficient number of suitable nominations from this source, candidates are obtained by other methods.

19. The Minister is empowered by Regulations to terminate the appointment of a member representative of employers or workers if he has ceased in the Minister's opinion to be so representative, or of a member who fails to attend one-half of the total meetings in any period of twelve months or is in the Minister's opinion incapable of acting as a member, or, through failure to notify change of address, cannot be summoned to attend meetings. The Minister appoints the secretary and the other staff of Wages Councils.

Central Co-ordinating Committee

20. The Minister is empowered to establish a Central Co-ordinating Committee in relation to two or more Wages Councils, and a Commission of Inquiry when making a Wages Council recommendation is empowered to include in its report a recommendation for the establishment of such a committee to operate in relation to the Council so recommended and one or more other Councils, whether already established or proposed to be established by another Wages Council recommendation embodied in the same report.

21. The composition of a Central Co-ordinating Committee is similar to that of a Wages Council and its duties are to consider whether the field of operation of the Wages Council in relation to which it is established is properly divided as between those Councils and to report thereon to the Minister, to make recommendations to those Councils with respect to the principles to be followed by them in the exercise of their powers under the Act, and to consider any question referred to it by the Minister or by the Councils concerned and to report thereon to the Minister or to such Councils. So far only one Central Co-ordinating Committee has been established ; this operates in relation to the Wages Councils newly established for Hairdressing Undertakings and sections of the Retail Trades.

Wages Councils : Powers and Procedure

22. A Wages Council has power to submit to the Minister proposals—

(a) for fixing the minimum remuneration to be paid, either generally, or for any particular work, by their employers to all or any of the workers in relation to whom the Council operates and,

(b) for requiring all or any such workers to be allowed holidays and to be paid holiday remuneration including provision as to the times at which or the periods within which holidays shall be allowed, and as to the times at which and the conditions subject to which the holiday remuneration shall become payable.

23. A Wages Council may also make recommendations to any

Government Department on matters relating to the industrial conditions prevailing as respects the workers and employers in relation to whom it operates and the Department is required to give consideration to its views. Similarly a Council is required to consider and report upon any matter relating to such conditions referred to it by a Government Department.

24. A Wages Council may delegate to a committee any of its powers except the power to submit wages regulation proposals.

25. The quorum and the method of voting are fixed by Regulations. To constitute a meeting there must be present at least one Independent Member and a third of the whole number of representative members. Every member has a vote, but the Chairman may, if he thinks it desirable, and must, if requested by more than half of either side, take a vote by sides and in such a case the vote of the majority of the members on either side present and voting is the vote of that side. In such a division the Independent Members do not vote, but in the event of the division resulting in disagreement between the two sides the question may be decided by the majority vote of the Independent Members or, if only one is present, by his vote. Subject only to these Regulations, Wages Councils can regulate their own procedure.

26. When a Wages Council makes any wages regulation proposals it must insert a notice of the proposals in the London Gazette or Edinburgh Gazette (or both) and also send a notice setting out the full details of the proposals to every employer appearing to be affected thereby whose name and address are known. Every such employer is required to exhibit a copy of the notice on his premises so that it can be conveniently read by the workers. The notice specifies a period of not less than fourteen days within which written representations can be made by employers or workers to the Wages Council with respect to the proposals. The Wages Council is required to consider the written representations made to it within that period and may then submit the proposals to the Minister either without amendment or with such amendments as it thinks fit having regard to the representations.

27. A Wages Council is empowered to resolve before publishing its proposals that in the event of no representation being made to it within the specified period the proposals shall be submitted to the Minister.

28. Where the Wages Council is one in relation to which a Central Co-ordinating Committee has been established the Council is required to transmit a copy of its proposals to the Committee when it submits its proposals to the Minister and the Minister is required to take into account any observations which the Committee may make to him thereon within fourteen days.

29. On receipt of any proposals the Minister is required to make a wages regulation Order to give effect to them as from such date as may be specified in the Order, unless he refers them back to the Wages Council for reconsideration, in which case the Council must reconsider them having regard to any observations made by the Minister and may, if it thinks fit, re-submit the proposals either without amendment or with such amendments as it thinks fit having regard to those observations.

When a Wages Council is informed that the Minister has made a wages regulation Order it is required to send a notice giving particulars of the Order to all employers affected and the notice must be posted up on the employers' premises where it can conveniently be read by the workers.

Retention of Main Features of Trade Board Orders

30. Wages regulation Orders in the trades previously covered by Trade Boards have retained most of the features included in Trade Board Orders. Many of the present Orders contain not only time rates and rates for overtime but also one or more of the following rates :—

(1) General minimum piece rates, i.e., minimum rates for piecework ;

(2) A guaranteed time rate, i.e., a rate per hour which would ensure a minimum amount to pieceworkers for the time during which they have been employed, if their piecework earnings fell short of the guaranteed rate ;

(3) A piecework basis time rate, i.e., a rate which takes the place of the general minimum time rate as the basis rate for pieceworkers for whom no general or special minimum piece rate had been fixed. In the absence of a general or special minimum piece rate, pieceworkers must be paid at a piece rate that is sufficient to yield in the circumstances of the case to an ordinary worker at least as much money as the piecework basis time rate.

In certain Orders the remuneration provided consists of only a few rates, e.g., a time rate for adult males on certain operations and another for all other adult males, and corresponding time rates for adult female workers and for juveniles of specified ages, and a piecework basis time rate for adult males and another for females. In others it consists of a larger number of rates for various classes of workers and in a few there are tables of piece prices for a large number of specified operations.

Permits

31. To meet the difficulty that some workers would be prevented by injury or infirmity from earning the minimum time rate, there was a provision in the Trade Boards Act, 1909, whereby a Trade Board had power in the case of time workers, if they could not

suitably be put on piece work, to issue permits of exemption specifying the conditions under which in any particular case it was prepared to allow an injured or infirm worker to be employed at less than the minimum time rate.

The corresponding section of the Wages Councils Act, 1945, provides that a Council may grant a permit authorising the employment of a worker who is affected by infirmity or physical incapacity at less than the statutory minimum remuneration.

Apprentices and Learners

32. In several Orders special lower rates are provided for apprentices and learners, payment of which is subject to certain specified conditions, e.g., that the apprentice or learner is given a certain form of training and in some cases that the number of apprentices or learners employed by the employer is not in excess of a certain proportion of the number of journeymen.

Waiting Time

33. Several wage regulation Orders made under the Wages Councils Act follow a provision in the Trade Boards Act, 1918, for payment to a worker while waiting for work. The Orders usually require a worker to be paid minimum remuneration for all time during which he is present on the premises of his employer, unless he is present thereon without the employer's consent or in other circumstances not waiting for work to be given to him.

Guaranteed Weekly Remuneration

34. In addition to retaining the features of Trade Board Orders some Wages Councils are now taking advantage of the wider powers conferred on them by the Wages Councils Act by submitting proposals for guaranteed weekly remuneration, i.e., the minimum amount of money which is payable, subject to certain conditions, whether the full number of hours have been worked or not. Workers had become familiar with the payment of guaranteed weekly remuneration under the war-time Essential Work Orders, and the relevant clauses under these Orders have been largely followed in the Wages Regulation Orders that have made provision in this respect. Thus, the payment of guaranteed weekly remuneration has been made conditional upon the worker being capable of and available for work and willing to perform such work as he could reasonably be expected to perform when work in his own occupation is not available, and provision has been made in some of the Orders for enabling the employer to give notice in certain circumstances to terminate his obligation to pay guaranteed weekly remuneration, e.g., when work is not available owing to a strike or lock-out, or failure of supplies or other circumstances outside the employer's control.

Payment of Statutory Minimum Remuneration

35. Remuneration paid to workers must not be less than the

statutory minimum remuneration fixed by a Wages Regulation Order.

The only deductions which may be made from the statutory minimum remuneration are those which may lawfully be made :—

(a) under the Income Tax Acts, National Insurance Acts, or any enactment requiring or authorising deductions to be made for the purpose of a superannuation scheme ;

(b) at the written request of the worker either for the purposes of a superannuation scheme or a thrift scheme or for any purpose in the carrying out of which the employer has no beneficial financial interest whether directly or indirectly ;

(c) in pursuance of or in accordance with a contract made within the terms of Sections 1, 2 or 3 of the Truck Act, 1896.

Wages Councils are, however, empowered to include in their wages regulation proposals provisions authorizing specified benefits or advantages provided in pursuance of the terms and conditions of employment either by the employer or under arrangements with the employer, to be reckoned as payment of wages by the employer in lieu of payment in cash, and defining the value at which any such benefits or advantages are to be reckoned. The provision of these benefits or advantages must not be illegal under the Truck Acts or any other enactment. Provision is also made for taking into account any payment made by a worker in respect of a benefit or advantage specified by a Wages Council.

Holidays and Overtime

36. Information regarding provisions in Wages Regulation Orders for holidays with pay and overtime will be found in Chapters IX and XI respectively.

Wages Regulation Orders

37. Wages Regulation Orders made by the Minister under the Wages Councils Act, 1945, giving effect to proposals made by Wages Councils are issued as Statutory Instruments. They are not required to be laid before Parliament.

Premiums : Learners and Apprentices

38. Employers are not allowed to receive premiums in respect of learners to whom a Wages Regulation Order applies except where the payment is duly made in pursuance of any instrument of apprenticeship and, normally, where any such payment is made within four weeks of the commencement of the apprenticeship. Payment at any other time may be received only if it is made in pursuance of an instrument of apprenticeship which has been approved for this purpose by the Wages Council concerned. Acceptance of a premium in contravention of these provisions

renders the employer liable to a fine not exceeding £20 and to repayment of the amount improperly received.

Enforcement

39. In addition to posting notices of wages regulation proposals and of Wages Regulation Orders in prominent places on their premises so that they can be read by the workers affected, employers are required to keep such records of hours worked and wages paid as are necessary to show that workers are paid not less than the appropriate statutory minimum remuneration, and the records have to be retained by employers for three years. Failure to post notices or to keep proper records renders an employer liable to a fine of £20. Any employer who pays less than the statutory minimum remuneration to any worker or who fails to allow the holidays fixed by a Wages Regulation Order or to pay the statutory holiday remuneration is liable to a fine of £20 for each offence. On conviction the Court may also order him to pay arrears of remuneration for a period not exceeding two years.

40. The Minister of Labour and National Service appoints officers (described as Wages Inspectors) whose duty it is to enforce the legal requirements of the Wages Councils Acts, 1945 to 1948. Such an inspector has powers to require the production of wages sheets or other records of wages kept by an employer, and records of payments made to outworkers, and any other records which an employer is required to keep, and to inspect and examine them and copy any material part thereof; to require any person giving out work and any outworker to give any information which it is in his power to give with respect to the names and addresses of the persons to whom the work is given out or from whom the work is received and with respect to the payments to be made for the work; at all reasonable times to enter any premises and any place used for giving out work to outworkers; to inspect and copy any material part of any list of outworkers kept by an employer or person giving out work to an outworker; to examine with respect to any matters under the Acts, any person whom he has reasonable cause to believe to be or to have been a worker to whom a Wages Regulation Order applies or applied or the employer or a servant or agent of the employer, provided, however, that no person is required to give any information tending to incriminate himself; and to institute proceedings for any offence under the Acts. Obstruction of an inspector or refusal to comply with any requirement of an inspector made in exercise of his statutory powers renders a person liable to a fine of £20. Any worker who thinks he is not receiving the remuneration due to him may complain to one of these inspectors but where an offence has been committed legal proceedings may be taken whether a complaint has been received or not. A worker also has the right to take action in the Civil Court on his own behalf to secure from his employer the benefits of a Wages Regulation Order.

(2) AGRICULTURE

41. The present system of regulation of wages of agricultural workers, which is very similar to the Wages Councils system, is applied under an Act of 1948 to England and Wales and by a separate Act in 1949 to Scotland.

ENGLAND AND WALES

Agricultural Wages (Regulation) Act, 1924

42. Under the 1924 Act the Minister of Agriculture and Fisheries was required to set up in each county or group of counties an Agricultural Wages Committee consisting of representatives in equal numbers of employers and workers, together with two impartial members appointed by the Minister and a Chairman selected by the Committee. Each Committee was required to fix minimum rates of wages in its area, which as far as practicable were to be such that an able-bodied man's earnings would be "adequate to promote efficiency and to enable a man in an ordinary case to maintain himself and his family in accordance with such standard of comfort as may be reasonable in relation to the nature of his occupation".

In addition to fixing minimum rates of wages for time workers, County Committees were empowered to fix minimum rates for piecework. Any of the minimum rates might be fixed so as to apply—

- (1) universally to all workers employed in agriculture in the county, or
- (2) to any special class of workers so employed, or
- (3) to any special area in the county, or
- (4) to any special class in a special area.

The County Committees were also empowered to exempt or fix special rates and conditions for workers affected by physical injury, mental deficiency, or infirmity due to age or other cause.

43. Under the Act a Central Agricultural Wages Board was also established consisting of equal numbers of representatives of employers and workers, and independent members (including a Chairman) appointed by the Minister not exceeding one-quarter of the total membership of the Board.

44. The Act required the Agricultural Wages Committee to notify to the Board their decisions fixing the minimum rates. The Board was not empowered to alter the rates as fixed by Committees but had the duty of making the necessary legal Orders putting the rates into operation. The Board itself might only fix rates in limited circumstances, e.g. in default of a Committee or on request by a Committee.

Holidays with Pay Act, 1938

45. By this Act the Agricultural Wages Committees were empowered to make directions requiring employers to allow workers up to 7 days holiday within a period of 12 months and to fix holiday remuneration.

The Agricultural Wages (Regulation) Amendment Act, 1940

46. This Act amended the Act of 1924 and provided that a national minimum wage should be fixed for men by the Agricultural Wages Board after consultation with the Committees, and that the minimum rates fixed by the Committees for county areas must be such as to ensure that no man of full age employed whole time should receive less than the national minimum wage. The Committees were also required under this Act to have regard to the national minimum wage when fixing minimum rates of wages for women and young persons.

Order in Council, S. R. & O. 1942, No. 2404, made under Emergency Powers (Defence) Acts, 1939 and 1940

47. By this Order made in 1942 the powers of the County Agricultural Wages Committees of fixing minimum rates of wages and their powers under the Holidays with Pay Act, 1938, were transferred to the Agricultural Wages Board for the period of the war emergency and so long as a system of nationally fixed agricultural prices and an assured market for agricultural produce was in operation. Before fixing or varying the minimum rates the Central Board was required to consult the County Wages Committees. The Committees continued to exercise their functions of determining benefits and advantages which might be allowed in part payment of minimum rates of wages and of dealing with applications for permits of exemption from the minimum rates for infirm workers.

Agriculture (Miscellaneous Provisions) Act, 1944

48. Section 3 of this Act gave effect to a unanimous request which had been made to the Minister by the Agricultural Wages Board that the Board should be empowered to fix a time rate basis for piece work which would, in effect, guarantee that a worker's earnings were no less than the general time rate in operation; and that the provisions of the Holidays with Pay Act, 1938, should apply to piece workers. This Section was repealed and re-enacted in the Agricultural Wages (Regulation) Act, 1947, and is now consolidated in the Act of 1948.

Agricultural Wages (Regulation) Act, 1947

49. This Act was passed with the agreement of all parties in Parliament and of the farmers' and farm workers' organisations. Its main purpose was to make permanent the temporary transfer to the Agricultural Wages Board, by Defence Regulation, of the

Wages Committees' powers to fix, cancel or vary minimum rates of wages, and to issue holiday directions. At the same time the necessity of prior consultation with the Wages Committees was cancelled, and the Board's powers were no longer made conditional upon a system of guaranteed markets and prices. The power to define the benefits or advantages reckonable as payment of wages in lieu of payment in cash and to determine their values, which had hitherto been exercised by the Wages Committees, was also vested directly in the Board.

50. It was specifically provided that in fixing, cancelling or varying minimum rates of wages the Board should not be limited to the consideration of any particular matter. The provisions of earlier legislation which prescribed certain considerations that had to be taken into account were repealed.

51. The limitations imposed by the Holidays with Pay Act by which the wage-fixing authority could not direct that workers should be given more than one week's holiday a year, nor more than three days consecutively, were removed.

52. In the exercise of its powers in regard to a particular county the Board were required to consider any representations made by the Wages Committee for that county. The Wages Committees were given certain specific functions concerning (i) the revaluation of individual cottages provided in part payment of minimum rates of wages, at amounts above or below the standard value fixed by the Board; (ii) the approval of premium payments and (iii) the issue of certificates approving the terms of employment of learners should the Board fix a special minimum rate for such workers; the Wages Committees retained the responsibility for dealing with applications for permits of exemption.

Agricultural Wages Act, 1948

53. This is purely a consolidating measure which reproduces in consolidated form the law contained in the Acts of 1924 and 1947 and the provisions of the Holidays with Pay Act, 1938 (so far as it affected agricultural workers in England and Wales).

Constitution of the Agricultural Wages Board

54. The Board comprises eight representatives of employers nominated by the National Farmers' Union, eight representatives of workers, five of whom are nominated by the National Union of Agricultural Workers, and three by the agricultural section of the Transport and General Workers' Union, and five members (including the Chairman) appointed by the Minister of Agriculture and Fisheries.

Payment and Enforcement of Minimum Rates and Holidays

55. It is an offence for an employer to pay an agricultural

worker at less than the minimum rates applicable, to fail to allow a prescribed holiday or pay the prescribed holiday remuneration, or to receive from an apprentice or learner employed in agriculture a premium which has not been approved by the appropriate Agricultural Wages Committee. An employer who contravenes the provisions of the Act is liable on summary conviction in respect of each offence to a fine not exceeding £20, in addition to which the Court may order the payment of arrears of wages below the minimum rates. The Ministry of Agriculture has a staff of Inspectors for the purpose of investigating complaints of non-payment of minimum rates, and otherwise securing the observance of the Act. Inspectors are empowered to require employers and workers to furnish them with information as to the wages paid.

SCOTLAND

The Agricultural Wages (Regulation) (Scotland) Act, 1937

56. This Act established machinery consisting of District Committees and a central Wages Board for minimum rate fixing in Scotland generally similar to that of the Act of 1924 in England and Wales. Under the Act of 1937 in Scotland the Department of Agriculture had, however, power to direct a District Committee to reconsider a minimum rate.

The Agricultural Wages (Regulation) (Scotland) Act, 1940

57. Under this Act the power to direct a District Committee to reconsider a minimum rate was transferred to the Scottish Agricultural Wages Board. The Board was also empowered by the Act of 1940 to vary the decision of a District Committee after taking into consideration any representations made by the Committee.

Order in Council S. R. & O. 1944, No. 326 made under Emergency Powers (Defence) Acts, 1939 and 1940

58. By this Order, made in March, 1944, the powers of District Committees under the Agricultural Wages (Regulation) (Scotland) Acts, 1937 and 1940, and under the Holidays with Pay Act, 1938, to fix minimum rates of wages were transferred to the Scottish Agricultural Wages Board.

The Agricultural Wages (Regulation) Act, 1947

59. Under this Act the powers conferred by Order in Council S. R. & O. 1944 No. 326 were made permanent: provision was made for fixing rates for learners and restrictions on granting holidays with pay were removed.

The Agricultural Wages (Scotland) Act, 1949

60. This Act consolidated the provisions of the Act of 1947 and such parts of the Act of 1937 as had not been repealed and the Holidays with Pay Act, 1938. No legislative changes were made.

(3) COTTON MANUFACTURING INDUSTRY (TEMPORARY PROVISIONS) ACT, 1934

61. The difficult economic conditions prevailing in this Industry prior to 1934 led many employers to offer lower working conditions, which considerable numbers of workers were prepared to accept rather than risk losing their jobs. The whole structure of the collective agreements in the Industry was threatened with collapse, and to prevent this, the Cotton Manufacturing Industry (Temporary Provisions) Act was passed in 1934. This Act made temporary provision (which has been renewed each year to date) for enabling statutory effect to be given to rates of wages agreed between representative organisations in the weaving section of the Cotton Industry. The Act does not, however, make the Minister of Labour and National Service in any way responsible for the terms of agreements, nor does it require him to intervene in negotiations between organisations.

62. Under the Act an organisation of employers and an organisation of workpeople both of which must be representative of the Industry, or the grades of the Industry concerned, may make joint application to the Minister of Labour and National Service for the making of an Order in respect of any agreement reached by such organisations, as to the rates of wages to be paid to persons employed in the Industry.

Unless the Minister is satisfied that the organisations making the application are not representative of the Industry or of the grades of the Industry concerned, he is required to appoint a Board consisting of a Chairman and two other members unconnected with the Industry to consider the application. Each of the parties to the application may appoint six of its members as assessors to the Board.

If the Board makes a unanimous recommendation to that effect the Minister may make an Order setting out the rates of wages embodied in the agreement, which are thereafter considered as a term of contract of every employed person concerned. Employers are required to keep records showing compliance with the Order, and any employer paying less than the prescribed rate is liable to a monetary fine. Action to secure enforcement of such Orders is a matter for the Industry.

63. The first Order under the Act was made in 1935. The provisions of this Order, which dealt with rates of wages of weavers, were cancelled in 1937, when two further Orders on the subject were issued simultaneously, one of them revoking the earlier Order and the other setting out a revised agreement between the two sides of the Industry. No further Orders have been made.

(4) THE ROAD HAULAGE WAGES ACT, 1938

64. Besides amending the Wages Councils Act, 1945, in certain respects, the Wages Councils Act, 1948, converted into a Wages Council the Road Haulage Central Wages Board, which had been established by Part I of the Road Haulage Wages Act, 1938, and repealed that Part of the Act. The Road Haulage Central Wages Board had covered workers employed in connection with vehicles operating under licences "A" or "B", i.e., for the carriage of goods either wholly or partly for hire or reward, and it was provided in the 1948 Act that the Wages Council should operate in relation to workers of the same descriptions as were covered by the Central Wages Board. Provision was made for the continuing effect of any wages orders then in force.

65. Part II of the Road Haulage Wages Act, 1938, remained unaltered by the Wages Councils Act, 1948. Except where there is already a minimum rate of wages enforceable under the provisions of any other Act, this Part applies to workers employed in connection with vehicles operating under "C" licences, i.e., for the carriage of goods only in connection with any trade or business carried on by the licence holder. The provision enables a complaint to be made to the Minister of Labour and National Service by the worker, or his trade union, or a trade union of road haulage workers that the remuneration in any particular case is unfair and failing settlement otherwise such a complaint has to be referred to the Industrial Court for the fixing of statutory remuneration.

66. Part III of the Act, which contains provisions requiring the payment by employers of remuneration not less than the statutory remuneration, is now limited in its operation to statutory remuneration fixed by the Industrial Court under Part II.

The procedure provided by Part II of the Act has been used only to a limited extent.

(5) THE CATERING WAGES ACT, 1943

67. The Catering Wages Act, 1943, makes "provision for regulating the remuneration and conditions of employment of catering and other workers and, in connection therewith, for their health and welfare and the general improvement and development of the industries in which they are employed."

68. The workers covered by the Act are "all persons employed in any undertaking, or any part of an undertaking, which consists wholly or mainly in the carrying on (whether for profit or not) of one or more of the following activities, that is to say, the supply of food or drink for immediate consumption, the provision of living accommodation for guests or lodgers or for persons employed in the undertaking and any other activity so far as it is incidental or

ancillary to any such activity as aforesaid of the undertaking."

69. A feature not to be found in other legislation for statutory wage regulation is the provision for the establishment by the Minister of Labour and National Service of a permanent Commission (the Catering Wages Commission) consisting of not more than seven persons, including independent persons and persons who are qualified to represent the views of employers and workers respectively but are not themselves directly connected with the hotel or catering trades. The Act provides that the Commission shall make such enquiries as they think fit or as they may be directed to make into the existing methods of regulating the remuneration and conditions of employment of the workers covered by the Act and into any other matter affecting their remuneration, conditions of employment, health or welfare, and also into means for meeting the requirements of the public including in particular the requirements of visitors from overseas, and for developing the tourist traffic. The Commission are empowered to make recommendations to any Government Department with respect to these matters and the Government Departments are required to take such recommendations into consideration. The Commission are also required to report to the Minister on any matter which he has directed them to enquire into and also to submit to him annually a general report, which he has to lay before Parliament, on their proceedings.

Establishment of Catering Wages Boards

70. The Catering Wages Act provides that if the Commission are of opinion as respects any workers covered by the Act and their employers that machinery for regulating remuneration and conditions of employment either does not exist or is not, and cannot by any improvement which it is practicable to secure be made, adequate for the regulation of remuneration and conditions of employment, the Commission may make a recommendation to the Minister for the establishment of a Wages Board in respect of those workers and their employers. Before making such a recommendation the Commission are required to make all such investigations as appear to them to be necessary and to publish in the prescribed manner a notice stating the terms of the proposed recommendation and stating further that they will consider written representations with regard thereto within a specified period of not less than 21 days. The Commission are required further to consider such representations as are made to them within the specified period and may then make the recommendation to the Minister either as originally proposed or with such amendments as the Commission think fit having regard to any of the representations.

71. The Catering Wages Commission recommended the establishment of five Wages Boards as follows :—

Industrial and Staff Canteen Undertakings Wages Board ;
Licensed Non-residential Establishment Wages Board ;

Unlicensed Place of Refreshment Wages Board ;
Unlicensed Residential Establishment Wages Board ;
Licensed Residential Establishment and Licensed Restaurant
Wages Board ;

and Orders were made by the Minister to establish these Wages Boards.

72. The Catering Wages Commission, if of the opinion that a Wages Board is no longer necessary, or that its field of operation should be varied, may make a recommendation to the Minister accordingly after completing the procedure described above in relation to the establishment of a new Wages Board. The Catering Wages Commission has recommended on more than one occasion a variation of the field of operation of the Wages Board for Industrial and Staff Canteen Undertakings and the Minister has made Orders to give effect to their recommendations.

Catering Wages Boards : Boards and Procedure

73. A Catering Wages Board has a similar constitution to that of a Wages Council and is empowered to submit proposals to the Minister in the same way as a Wages Council. In addition to making proposals for fixing minimum remuneration and for holidays and holiday remuneration, a Catering Wages Board has power to submit proposals for fixing the intervals for meals or rest to be allowed to all or any of the workers within scope of the Board by their employers. No provision has yet been made on such lines but proposals of one Wages Board have been made effective requiring the payment of additional remuneration where an employer does not allow to a worker certain specified intervals for rest.

Wages Regulation Orders

74. Certain of the Wages Regulation Orders made to give effect to proposals submitted by Catering Wages Boards specify the remuneration to be paid in differing sets of circumstances, e.g., where board and lodging is provided or where the worker is provided with such meals as are available during the time he is on duty. One of the Catering Wages Boards, namely, for Licensed Residential Establishments and Licensed Restaurants, has provided for additional payments to be made where the hours of duty are spread over more than a certain number of hours in a day. In other respects, such as overtime and guaranteed weekly remuneration, the Wages Regulation Orders made under the Catering Wages Act are broadly similar to those made under the Wages Councils Acts. The Act enables a Wages Board to grant a permit to a worker affected by infirmity or physical incapacity authorising his employment at less than the statutory minimum remuneration.

The provisions as to enforcement are in the main the same as in the Wages Councils Acts, and Inspectors who are appointed under

the Wages Councils Acts also hold appointment under the Catering Wages Act.

There are no Wages Regulation Orders applicable to Unlicensed Residential Establishments as the Wages Board for this section of the industry has not submitted proposals for the making of an Order.

Catering Wages Commission : Activities

75. In addition to recommending the establishment of Wages Boards and alterations in the field of operation of the Industrial and Staff Canteen Undertakings Wages Board, the Catering Wages Commission have furnished reports on special subjects, e.g., in 1944 on the Rehabilitation of the Catering Industry, in 1945 on the Staggering of Holidays, on Training for the Industry, and on the Development of the Catering, Holiday and Tourist Services, in 1947 on the Problems Affecting the Remuneration of Catering Workers which Result from the Practice of giving Tips, in 1947 on Employment Agencies serving the Catering Industry, and in 1950 the Operation of the Act in the Hotel Industry (as the result of a Direction by the Minister). In their Report on the last-named subject the Commission recorded their opinion that the statutory machinery was essential until such time as it could be replaced by collective bargaining based on mutual understanding and goodwill. The Commission also made suggestions for the reform of the wages board machinery, in regard to which the Minister asked the Commission to give further consideration in the light of observations received from organisations in the Industry. In December, 1951, the Commission informed the Minister that they found they were legally prevented from making the recommendations they wished to make and the Minister thereupon entered into discussion with the two sides of the Industry with a view to securing an improvement in the operation of the existing wages board machinery.

CHAPTER IX

HOLIDAYS WITH PAY

1. In March, 1937, the Minister of Labour appointed a Committee of Inquiry under the chairmanship of Lord Amulree to investigate the extent of paid holidays and the possibility of extending the provision of such holidays by statutory enactment or otherwise. The position at that date was that there was no general or other legislation providing for or dealing with holidays with pay, and that, where given, they were entirely a matter of voluntary agreement or arrangement.

The Committee presented a unanimous Report in April, 1938. From an examination of the available information the Committee estimated that, of the 18½ million persons in the employment field who were either manual workers or non-manual workers in receipt of £250 a year or less, some 7¾ millions, or a little over 40 per cent. of the total, were at that time provided with annual consecutive holidays with pay in some form.

2. The Committee made a number of recommendations ; the principal recommendations were that an annual holiday with pay equivalent to the working week should be established without undue delay as part of the terms of the contract of employment, and that every possible effort should be made to deal with this matter by voluntary arrangement ; that Trade Boards, Agricultural Wages Committees and other similar statutory bodies for fixing remuneration should be empowered to consider and determine whether the provision of a holiday with pay should be granted, and legislation for this purpose should be introduced at an early date ; that legislation should be introduced in the 1940-41 Parliamentary Session making provision for holidays with pay in industry generally without adversely affecting any existing more favourable provisions for this purpose ; and that, meanwhile, the Minister of Labour should promote the adoption of voluntary agreements for paid holidays, encourage the spread-over of holidays, and stimulate the provision of better holiday accommodation.

3. The Government welcomed the recommendations of the Amulree Committee and announced its desire to give effect to them to the fullest practicable extent. A Bill was introduced in the House of Commons on 7th July, 1938, and received the Royal Assent on 29th July, as the Holidays with Pay Act, 1938. This Act carried out the recommendation of the Committee that all statutory wages regulation authorities should be empowered to give directions providing for holidays with pay for the workers for whom they prescribed minimum wages, in addition to any other holidays or half-holidays to which such workers might be entitled under any other enactment, e.g. the Shops Act. The industries thus affected were :—

(a) agriculture, covering all workers coming within the scope of the Agricultural Wages Regulation Act, 1924, and the Agricultural Wages Regulation (Scotland) Act, 1927 ;

(b) those industries whose workers came within the scope of the Trade Boards Acts, 1909-1918 ;

(c) road haulage workers coming within the scope of the Road Haulage Wages Act, 1938.

4. The effect of the Holidays with Pay Act, 1938, was to graft on to the statutory powers already vested in the various Wages Boards set up under the statutes enumerated at (a), (b) and (c)

above, a power to grant holidays and to fix holiday remuneration. As the statutes governing these various branches of industry came to be revised, the re-enacting statute took powers within its own provisions to grant holidays and fix holiday remuneration. Thus the Wages Councils Act, 1945 (which repealed the Trade Boards Acts, 1909-1918) gave every Wages Council power to grant holidays and fix holiday remuneration; the Agricultural Wages Act of 1948 gave a similar power to Agricultural Wages Boards in England and the Agricultural Wages (Scotland) Act, 1949, did the same for Scotland; the Wages Councils Act of 1948 repealed the Road Haulage Wages Act, 1938, and converted the Central Board created under the latter statute into a Wages Council which had the same powers as the Councils created under the principal Act.

5. The catering industry was never within the scope of the Holidays with Pay Act, 1938, because when it first came under statutory supervision the Catering Wages Act, 1943, made provision for every Wages Board that had the necessary powers to grant holidays and to fix holiday remuneration.

6. There has been a very considerable development of holidays with pay since the Amulree Committee estimated in 1938 that about $7\frac{3}{4}$ million workpeople received holiday payments. There has been a wide extension of voluntary collective agreements between employers' organisations and the trade unions concerned, providing for annual holidays with pay for wage-earners, so that legislation of the kind envisaged by the Amulree Committee, making provision for holidays with pay in industry generally, has not been necessary. These voluntary agreements operate in practically all the industries in which conditions of employment are determined by collective bargaining between organisations of employers and workers. In addition, orders having statutory force are in operation directing that holidays with pay shall be granted to workers in respect of whom statutory minimum rates of wages have been fixed by Wages Councils in various industries, by the Wages Boards established for industrial and staff canteen undertakings, licensed non-residential establishments, licensed residential establishments and licensed restaurants, and unlicensed places of refreshment under the terms of the Catering Wages Act, 1943, and by the Agricultural Wages Boards for England and Wales and Scotland. It is estimated that about 14 million wage-earners (including shop assistants) are now covered by the collective agreements or orders providing for holidays with pay referred to above, apart from the large numbers of other workers (e.g., clerks and salaried workers generally) to whom paid holidays are granted by other arrangements.

There is considerable diversity in the terms of the arrangements in operation in different industries, some particulars of which are given below. Detailed statistical information about holidays with

pay is given as an Appendix to the Ministry's annual volume "Time Rates of Wages and Hours of Labour."

PROVISIONS OF COLLECTIVE AGREEMENTS

7. *Length of the Holiday.*—In the great majority of agreements the holidays for which payment is made amount to either 12 days or 18 days. Where the number of days is 12, it usually consists of six consecutive days or one week of annual holiday and six public or statutory holidays. Where the period is 18 days it is generally made up of 12 days or two weeks annual holidays and six public holidays. The term "public holidays" denotes the usual bank or statutory holidays, but many agreements provide that payment should also be made for specially proclaimed holidays.

8. In recent years there has been an extension in a great many industries of the number of holidays for which payment is made. The increase has consisted sometimes of the grant of payment for six public holidays where payment for such days had not hitherto been made, but mainly it has taken the form of an extension of six days or one week in the annual summer holiday period for which wages are payable. By the end of 1952, the period of two weeks annual holiday plus public holidays applied to about three-quarters of the wage earners (including shop assistants) covered by collective agreements or statutory orders. Certain other alterations have been made in the terms of agreements which have had the effect of extending the paid holiday period. Thus, in the cotton industry the sum set aside each week as provision for holiday pay was increased from four per cent. of the total gross wages bill to five per cent., and later to six-and-a-half per cent., thus providing pay for 144 hours instead of 96 hours as formerly.

9. *Qualifications for Full Holiday or Full Payment.*—Nearly all the agreements specify certain conditions as to length of service, attendance, etc., which must be fulfilled before the worker becomes entitled to the benefit of the paid holidays. So far as the consecutive days of annual holiday are concerned, as distinct from public or statutory holidays, the great majority of agreements make the grant of the full holiday dependent upon the worker having had a specified length of service (usually 12 months) up to the time of the holiday or up to some other specified date. In some cases the basis of eligibility is stated in the form of the minimum number of weeks (e.g., 48 or 50) which must be worked during the year. It is commonly stipulated that such service must have been continuous. Many agreements, however, provide for workers whose employment has not been continuous with the same employer for the full period. This is the case in certain industries (building, engineering, cotton, etc.) in which the holiday pay accrues from week to week under a system of accumulated credits, as described below, and there is machinery for the carrying forward of such

credits when a worker changes his employer. Workers with less than the full qualifying period of service are usually entitled to a shorter holiday, or, if the full holiday is granted, to less than the full amount of holiday pay. For example, in paint, varnish and lacquer manufacture, in which 12 months' service entitles a worker to two weeks' holiday with pay, workers with six months' service are entitled to one week's holiday, and workers with over six and under 12 months' service are given one day's holiday with pay for each completed month's service in excess of six months. In this case the minimum period of service is six months ; in other cases it ranges usually from six months to one month, and in some other cases, where holiday pay is strictly *pro rata* to the period served, no minimum period is specified.

10. It is frequently provided that absence from work (except for certain specified reasons such as sickness) is not allowed to count towards the qualifying service. Occasionally, the benefits of the agreement are subject to forfeiture if the worker loses through his own fault more than a certain number of days during an antecedent period. Thus, the agreement for paint, varnish and lacquer manufacture contains a proviso that the grant of the paid holiday is dependent on not more than six normal working days being lost during the qualifying period ; for seven days lost one week's holiday is forfeited and one day's holiday forfeited for each additional day lost ; but time lost is not to include absence through sickness, unavoidable absence owing to unforeseen circumstances, time conceded by the management or foreman, or temporary suspension due to shortage of material, compulsory short time or similar causes.

11. Payment of wages for public or statutory holidays is not, as a rule, made dependent on length of service. Where there is a service qualification the period specified is usually shorter than that for the summer holidays, and ranges generally from one week to about three months or consists of the full period since the last preceding public holiday. Conditions as to attendance occur more frequently, and often consist in the requirement that payment is dependent upon the worker attending on the day preceding and the day succeeding the holiday. Thus, the engineering agreement provides that workers shall not qualify for payment who fail to report for work on the working day preceding or the working day following a holiday unless they can produce evidence to the satisfaction of the employer that their absence was due to causes beyond their control. A few agreements provide that wilful or deliberate loss of time to a certain specified extent (e.g., four or six days) between two statutory holidays will disqualify a worker from benefit of payment for the particular holiday.

12. *Times at which the Holiday is to be taken.*—Many of the agreements indicate the period during which the annual holidays

are to be taken. Usually the provision on this point is that the holidays shall be taken between specified dates in the summer months, e.g., between the 1st May and 30th September. This provision, however, is often qualified by such phrases as "unless otherwise agreed" or "as far as possible." It is usually left to the employer to decide at what time, within the specified period, holidays are to be taken, and whether they are to be taken by "staggering" the holidays of the individual workers, or by closing down the works for the holiday period. Thus, in heavy steel manufacture, where the normal holiday period is between 1st May and 30th September, the agreement provides that the management shall decide whether the holiday is given by means of a general stoppage or by working a relay system so as to ensure continuity of production throughout the year. Some agreements provide for consultation with, or due notice (e.g., not less than four weeks) to be given to, the workpeople in regard to the dates of the holidays. Very few agreements specify the actual holiday week during which the works shall close down, but the agreement for the pottery industry provides that the annual holiday is to be taken in the August Bank holiday week and the week immediately following (with comparable periods for factories outside North Staffordshire) or at such other period or periods as may be mutually arranged between the operative and his employer. It is commonly provided that the days of annual paid holiday shall be consecutive, but where more than one week's holiday is paid for, many of the agreements permit the period to be split. Thus, in heavy chemical manufacture the two weeks' paid holiday may be taken either separately or consecutively. In biscuit manufacture one week must be taken as a continuous holiday between 1st May and 30th September and the balance taken either consecutively or in separate days as mutually agreed. Some agreements direct that the two weeks should normally be taken as one unbroken period, but permit departures from this practice in cases of difficulty.

13. *Rate and Form of Payment.*—Some agreements provide that the holiday shall be "with pay" or "with full pay" without any definition. Most agreements, however, define the amount and form of payment, especially in regard to pieceworkers. Thus, a number of agreements, while stipulating that timeworkers shall be paid their ordinary time rate or the standard or minimum rate appropriate to their grade, provide that the pieceworker also shall receive his appropriate time rate. Another method of fixing the rate of annual holiday payment for pieceworkers is to take the average weekly earnings, generally calculated over a stated period such as one, six or twelve months. Such provisions occur in the agreements for iron and steel manufacture, printing, and chemical manufacture, among others. In most cases it is stipulated that overtime payment should be omitted in calculating this average. In a few cases the average is subject to a maximum or to a minimum. Occasionally the payment, either in respect of annual

holidays or public holidays, consists of a flat rate not identical with the actual rate of wages received by the individual worker.

14. Some important agreements provide for the annual holiday payments, and in some cases for the public holiday payments, to be made from credits provided weekly by the employers and accumulated in a special fund. Under such systems the holiday remuneration of the individual worker is strictly related to his record of attendances in the past year and, in some cases, to his earning capacity. In the building and civil engineering contracting industries the credits are paid into a central fund established for the whole of the combined industries. For each week's work, an operative is credited with the sum of 2s. 9d. in the form of holiday stamps to be affixed to his holiday credit card. The stamps and cards are purchased by the employer from a management company. When the holiday is taken, a sum equal to the credits on the card is paid to the operative by the employer for whom he is working at the date of the holiday, the amount so paid being subsequently recovered by the employer from the company. An operative entering new employment hands over his card to his new employer. Payment for public holidays in these two industries is also made in a similar manner by credit stamps of 2s. 9d. affixed to separate public holiday cards. Other industries in which the amount of weekly credit is a flat amount, uniform for all occupations, include freestone quarrying, hosiery manufacture, textile bleaching, dyeing and finishing trades, electrical contracting and heating and domestic engineering. In the engineering industry a national agreement provides that for each full week's work performed there shall be credited to every manual worker in respect of the annual holiday a sum representing one-twenty-fifth of the appropriate consolidated time rate. When less than a full week is worked, the appropriate portion of the full week's allowance is to be credited. If workpeople are absent through sickness or accident the appropriate allowance is credited for working hours so lost for a period up to six weeks in any one year. The credits are accumulated in a special fund maintained by each firm, and paid to the workpeople at the recognised summer holiday period or at such other times as may be mutually agreed upon. Systems of weekly credits similar to that in the engineering industry have been adopted by agreement in other industries, including shipbuilding, light castings manufacture, brass working, vehicle building and beet sugar manufacture. Agreements covering both the spinning and manufacturing sections of the cotton industry provide for holiday pay on the basis of $6\frac{1}{2}$ per cent. of the individual operative's actual gross earnings of the previous twelve months, including overtime. The firm set aside a sum equal to $6\frac{1}{2}$ per cent. of the total gross wages bill and pay it weekly into an "operatives' holidays account" opened by each firm with a bank. Similar systems under which the weekly sum credited is a fraction or percentage of individual gross earnings are in operation in the

wool textile industry in Yorkshire, carpet manufacture, surgical dressings manufacture, and the gold, silver and allied trades in Sheffield. In the boot and shoe manufacturing industry the arrangement whereby the holiday payment was made from funds made up of equal contributions from employer and employed was superseded in January, 1948, by a scheme under which holidays with pay are provided without any contributions from the workpeople.

15. In the coalmining industry the method of determining the amount of the annual holiday payment is as follows. An award of the National Tribunal for the industry provides that (a) the total sum earned as wages in the calendar year prior to that for which holiday payments are to be made shall be ascertained and (b) from this total shall be deducted the sum actually paid during that period under any holidays with pay agreements. The resulting figure is divided by fifty and the sum so arrived at is divided among the workers in such manner and in such proportions as the National Coal Board and the National Union of Mineworkers shall mutually agree. The amount of holiday payment agreed in respect of the annual holiday week for the year 1951 was £8 2s. for male and female workers 21 years and over, £6 10s. for those 18 to 20 years inclusive, and £4 17s. for those under 18 years. Statutory holidays were paid for at the rate of one-sixth of the above amounts.

For the year 1952 it was agreed that, although workers should be entitled in respect of 1952 and each subsequent year to an additional week's holiday with pay, in view of the estimated shortage of coal production, and the further loss of output that would be entailed if additional holidays were taken in that year, the workers should not take the additional holiday but should be entitled to receive payment in lieu thereof at a rate equivalent to the amount of holiday pay for the normal week of annual holiday.

16. *Other Provisions.*—In many of the agreements provision is made for the payment of holiday allowances to workpeople who leave their employment or are discharged before they have taken their holiday. In many instances such allowances are stated not to be payable to employees who are dismissed for misconduct or who leave their employment without due notice. In other instances it would appear that the cause or manner of leaving is immaterial; a few agreements, in fact, specifically state that the allowance is payable when employment terminates for any reason. The allowance usually consists of a payment proportionate to the time served since the date of the previous annual holiday or some other specified date. Thus, in the general printing industry, workers who change their employment receive, in lieu of annual holiday, allowances on the basis of one twenty-sixth of their weekly wage for each full week of service, provided that the service is not less than four consecutive weeks, both from the employer from whom they have changed in respect of the period

between the preceding 30th June and the date of leaving their employment, and from the employer to whom they have changed in respect of the period between the date of commencing the employment and the following 30th June. A worker who leaves his employment does not of necessity receive his proportionate allowance at the time of leaving, but may have to wait until the next holiday period; for instance, the agreement relating to the cotton industry provides that operatives who leave shall be given certificates of credit to be retained and presented for payment at the next holiday period.

17. The acceptance by the worker of paid employment during his holiday period is prohibited by the terms of a few agreements. The agreement relating to heavy steel manufacture, for example, provides that the acceptance by a worker of gainful employment during his holiday period is regarded as a violation of the agreement and any holiday payment made to him shall be refunded to the employer. Some agreements deny to the worker the option of taking the holiday or of continuing at work and drawing the holiday pay. Some others deal with the position of employees who are unable to take their annual holiday on account of sickness or accident or who are retained by the employer for special work while the establishment is closed down for general work during the holiday period. In such cases it is usually prescribed that these employees shall receive a paid holiday at a later date, and be paid for any work done at ordinary rates of pay.

18. The position of casual, temporary or part-time workers in relation to payment for holidays is usually not specifically dealt with in the agreements. The conditions as to length and continuity of service, however are often such as necessarily exclude workers of these types from the benefit of the paid holiday. In some agreements, on the other hand, the conditions are such as to make it possible for such workers to benefit to some extent from the holiday provisions. Thus, in the boot and shoe manufacturing industry, women workers who are permitted to work 40 hours or less a week are eligible for annual holidays with pay on the basis of such number of full weeks as is represented by the total number of hours actually worked, and are paid for statutory holidays on the basis of their average daily hours of work. In the hosiery manufacturing industry in the Midlands part-time workers who work 20 or more and less than 36 hours in the week are entitled to half the holiday pay of full-time workers.

19. Directions as to the time at which the holiday payment is to be made are contained in the agreements for some industries. Nearly all of such agreements provide that the holiday payment shall be made before the commencement of the annual holiday, as in the case of the agreement for the pottery industry which specifies the pay-day immediately preceding the holiday as the time of paying out holiday money.

PROVISIONS OF STATUTORY ORDERS

20. *Wages Councils.*—Under the terms of the Holidays with Pay Act of 1938, the Boards established under the Trade Boards Acts had power to direct that workers for whom statutory minimum rates had been fixed should be entitled to be allowed a holiday with pay of not more than one working week in a year. Under the terms of the Wages Councils Act, 1945, the Trade Boards were renamed Wages Councils and their powers were extended to enable them to recommend that Orders should be made requiring payment of wages for holidays without any prescribed limit. Wages Regulation Orders have been made in respect of all but three* of the 60 Wages Councils now established in Great Britain, requiring the granting of annual and customary holidays and the payment of holiday remuneration. The current Orders require payment of wages for a period of "annual holidays" (usually either 6 days or one week or 12 days or two weeks) during the holiday season, and also in most cases for "customary holidays" (usually 6 specified public holidays). The above days of annual holiday are working days and apply to a 6-day working week. Where a 5-day working week is in operation, the holiday is 5 days or 10 days, by virtue of a provision commonly included to the effect that the number of days annual holiday is not to exceed in the aggregate the period, or twice the period as the case may be, constituting the workers' normal working week. The Catering Wages Act, 1943, and the Wages Councils Act, 1945, both require, as the Holidays with Pay Act, 1938, had required, the duration of the holiday to be related to the duration of the worker's employment with the employer. Most of the Wages Regulation Orders relative to holidays with pay specify the entitlement to annual holidays in a table giving the numbers of weeks of employment prior to a specified date and the numbers of days of holiday. Thus, 8 weeks of employment would qualify a worker for 1 day of annual holiday where 6 days are to be allowed annually, or 4 weeks for 1 day of annual holiday where 12 days are to be allowed annually. The period of employment to qualify a worker to be allowed a customary holiday with pay is usually shorter than 4 weeks. For the purpose of calculating any period of employment entitling a worker to an annual holiday it is commonly provided that entitlement depends upon a minimum number of hours being worked in the week. This minimum figure ranges from 8 hours up to 24 hours, the most usual figures being 20 or 24 hours. It is also commonly provided that absence throughout the week by reason of proved illness or accident or suspension owing to shortage of work is counted as employment; but such absence if exceeding in the aggregate a specified number

*Viz., the Wages Councils covering the jute trade and the flax and hemp trade in Great Britain in which payment for holidays is made under the provisions of collective agreements, and the drift nets mending trade in Great Britain in which the workers are mainly employed away from the employer's premises.

of weeks during the year, e.g., 4 weeks or 8 weeks for illness or accident and 6 or 8 weeks for suspension, is not so counted. A few Orders apply a similar rule in the case of absence due to stoppages through trade disputes. Payment for the customary holidays also is subject to a minimum length of service, varying in general from 1 week to 8 weeks, and in many cases is conditional on the worker's being in attendance on the last working day immediately preceding the holiday and/or on the first working day after the holiday. The annual holiday is to be taken on consecutive days within a specified period (frequently May to September), but when the annual holiday due to a worker is more than one working week the holiday may be divided into separate periods, one of which is at least one working week. Some of the Orders allow a worker, if he wishes, to take his holiday outside the holiday season, provided he makes an agreement in writing with his employer to that effect. The employer is required to give reasonable notice of the commencing date and the duration of the holiday; in some cases 28 days' notice is specified as a minimum. The holiday payment is in general related to the amount to which the worker would be entitled for a normal week's or day's work if paid at the appropriate minimum time rate. It is payable, in respect of annual holidays, on the last pay-day preceding the holiday or, in a few cases, not later than the first working day or the first pay-day after the holiday. The Catering Wages Act, 1943, and the Wages Councils Act, 1945, both contain a provision which had appeared in the Holidays with Pay Act, 1938, making it possible to provide that if the worker ceases to be employed before becoming entitled to be allowed an annual holiday, such holiday remuneration as has accrued due to him during his employment by the employer shall in the event of his ceasing to be employed by the employer become payable by that employer to the worker, and Wages Regulation Orders in respect of holidays have made provision accordingly, subject, in a few cases, to certain conditions. In many of the industries in which outworkers or homeworkers are employed, e.g., brush and broom, lace finishing, button, shirtmaking, paper box, hair, bass and fibre, such workers are excluded from the operation of the holidays-with-pay Orders.

The Orders are without prejudice to any agreement for the allowance of any further holidays with pay or for the payment of additional holiday remuneration.

21. *Catering Wages Boards*.—The Catering Wages Act, 1943, under which five Wages Boards were set up covering respectively, the canteen, public house, licensed hotel and restaurant and café sections of the catering industry, empowered such Boards to recommend the grant of holidays to workers and the payment of holiday remuneration. Provisions for such paid holidays have been included in the Orders made in respect of four of the Boards. No order has yet been made for workers employed in unlicensed hotels and boarding houses. The provisions of the Wages Regula-

tion Orders are on the same general lines as those made under the Wages Councils Act.

22. *Agriculture*.—Under the provisions of the Agricultural Wages Act, 1948*, the Agricultural Wages Board for England and Wales have issued Orders which provide that whole-time workers are to be allowed holidays with pay at the rate of one day for each month of regular employment in a holiday year. Workers who are required to work seven days a week in 30 or more weeks during a year are allowed two Sunday holidays in addition. A worker may at his option on not more than one occasion during a holiday year take up to one-half of his holidays on consecutive days, this portion of the holiday to be taken after 1st April in the holiday year, unless the worker agrees otherwise. Subject to this and to the condition that holidays with pay may not be given on Sundays (except as mentioned above in the case of seven-day-week workers) or on six specified public holidays, holidays may be taken at any time agreed upon between the employer and the worker, or in default of agreement at such time as the employer nominates. The remuneration is normally one-sixth of the weekly minimum wage for each day of holiday, and is to be paid on the pay-day immediately preceding a holiday, or, where the employment terminates before a holiday has been taken, on the termination of the employment. The Orders also provide that on six specified public holidays, viz., Good Friday, Easter Monday, Whit Monday, August Bank Holiday, Christmas Day, Boxing Day (in Northumberland New Year's Day instead of Boxing Day), all employment shall be treated as overtime employment, and that the number of hours in respect of which the minimum weekly wage is applicable during the weeks in which those days fall shall be correspondingly less than in a normal week. The effect of this is that a worker either receives a day's holiday on full pay on each of the specified public holidays without having to make up the time, or, if required to work on the public holiday, he is entitled to overtime pay for all employment on that day.

23. Orders made by the Scottish Agricultural Wages Board provide for holidays with pay at the rate of one day for eight weeks' continuous employment, up to a total of seven days of holiday in the year. One period is to be of not less than three consecutive days between 28th May and 31st August. The holiday remuneration is not less than the appropriate daily proportion of the weekly minimum wage rate or eight-and-a-half times the respective minimum hourly rate, and is to be paid not later than the first regular pay-day after the holiday is taken. The Orders are not to prejudice the operation of any agreement for granting

*The Agricultural Wages (Regulation) Act, 1947, removed the restrictions in the Holidays with Pay Act, 1938, which prevented the granting, under that Act, of holidays to agricultural workers of more than a week a year or more than three consecutive days.

additional days' holiday or for the payment of holiday remuneration in excess of the prescribed rates.

Note : It has been ordered that, in addition, workers other than shepherds, milkers or workers paid by the hour, will be allowed six "optional" days as holidays, these days being specified. If these days, or days in lieu, are not allowed, then the worker is entitled to overtime payment for work done on these days. If he is not required to work on these days he is nevertheless entitled to be paid the full weekly rate of wages for the week in which the holidays occur. In the case of shepherds the number of "optional" days to be allowed, or alternatively paid for at the overtime rate in addition to the minimum wage, is 20 in each year of employment.

CHAPTER X

SYSTEMS OF WAGE PAYMENT AND INCENTIVE SCHEMES

1. Wage questions lie at the basis of industrial relations and disputes about wages are the main cause of stoppages of work. It is not, however, the present purpose to discuss the principles and factors which should determine an equitable wage standard or the relationship between wages in different industries. As already explained, wages are in fact settled for the most part by joint collective discussion and negotiation by those having a detailed knowledge of the circumstances in the industry. The object of this Chapter is to describe briefly some of the methods which determine the amount of remuneration which a worker receives.

Definition of Wages

2. It is necessary to define what is meant by the term "wages" in this connection. There are two main characteristics of wages as ordinarily understood. First is the fact that the skill and energy of the worker are at the disposal of the employer during a certain time and are disposable for a definite purpose. Secondly there is a contract of service, actual or implied, in which the amount of the reward for the effort of the worker is clearly stipulated. The term "wages" can therefore be defined as the payment made to workers for placing their skill and energy at the disposal of an employer, the method of use of that skill and energy being at the employer's discretion and the amount of the payment being in accordance with terms stipulated in a contract of service.

Hours of Work and Overtime

3. The time during which the services of a worker are at the

disposal of the employer is part of the contract of service. There are certain statutory restrictions on the hours of employment (including overtime, Sunday work and night work) of women and young persons in industrial employment, but male adults are in general free to contract to work any hours they choose. Rates of wages are fixed in relation to a specific number of hours in the day or the week. Where work is done beyond the agreed hours extra payment for overtime is usual for wage earners in industrial employment. Employers claim the right to decide when overtime is necessary, but some voluntary agreements contain provisions imposing restrictions on the amount of overtime that may be worked. For example, the general overtime agreement in the engineering industry lays down a normal limit of not more than 30 hours' overtime in any four weeks after full shop hours have been worked, but the restriction does not apply to breakdowns, repairs, and similar urgent needs. Further particulars as to hours and overtime are given in Chapter XI.

WAGES ON TIME BASIS

4. The commonest form of wage payment is that which is based on time. Provided the labour of the worker is under the direction of the employer for a specified time, whether hour, day or week, a certain sum becomes payable to him. For instance, a rate may be 3s. 6d. an hour, 22s. 6d. a shift, or £6 10s. a week. These are known as time rates in so far as the basis is a unit of time—the hour, the day or shift, or the week. A few workers are paid a “standing wage” of a specified amount per week or month, irrespective of the hours actually worked.

5. A time rate of wage most commonly appears in collective agreements between organisations of employers and workers, since rates of this kind lend themselves to application to large classes or groups of workers. The usual form is a rate per hour, or a rate per day or week payable in respect of a specified number of hours; this, when determined as a result of collective bargaining, becomes applicable to an agreed class of worker and everyone within that class must receive at least that rate. In other words, it is an agreed minimum payable to all the individuals concerned whatever variations in capacity there may be between them.

6. A minimum rate fixed in relation to a specific occupation tends to become the rate commonly paid, at least for the lower-paid occupations, but this rule is subject to many exceptions. There are considerable numbers of workers in every industry who are paid rates of wages in excess of the recognised minimum rates for their occupations; this practice is recognised in many collective agreements which have clauses to the effect that higher

rates of wages or better conditions operating before the adoption of the agreement shall not be reduced or otherwise prejudiced by anything contained in the agreement.

Payment above the minimum rate may take the form of a "merit allowance". This, strictly speaking, is a payment to an individual worker, not to a class of workers, but the term is often used loosely. Merit allowances are sometimes assessed systematically for individual workers according to such factors as quality of work, mental attitude, degree of accuracy, adaptability, readiness to co-operate, etc.

7. Merit rating is to be distinguished from the classification or grading of occupations, which fixes the minimum rate for a class of workers and is mainly determined by collective bargaining. The extent to which separate wage rates are fixed for different occupations within an industry varies considerably. In some industries the agreements fix only general minimum rates for men, women, youths or girls without reference to occupation, and the fixing of higher occupational rates is left to be settled on the spot. Many agreements establish higher minimum rates for London and other important centres; in the last few years the tendency has been to reduce the number of zones of such "provincial differentiation" to two, or at most three. The great majority of agreements specify rates either for a variety of separate occupations or for a number of groups or grades of occupations (e.g., skilled, semi-skilled, unskilled). Sometimes there is further sub-division according to length of service or the ability to perform certain operations.

Some firms or establishments have introduced schemes intended to measure the differences between specific jobs more accurately and scientifically by giving numerical values to the factors relevant to their performance. Under one of these "point rating" schemes in use in a large concern with several establishments, each job is analysed in terms of five factors—mental requirements, physical requirements, skill and experience needed, responsibility carried, and working conditions; points are given for each factor, and the wage is determined by the total assessment.

8. In general, Trade Unions favour uniformity for the same occupation and locality rather than wide individual differentiation amongst their members. This uniformity tends to establish the solidarity and collective spirit upon which Trade Unionism has been built and eliminates the individualism which might arise from too much differentiation in rates.

Most employers have, by experience, become accustomed to the conception of the standard rate and recognise it as the basis of successful collective bargaining. In some exceptional cases it has been found possible to achieve the same result by standard piecework lists, but such instances are exceptional and are

possible only under specially favourable conditions of local concentration and consistency of methods of production.

9. Wages sometimes consist of a combination of time and piece rates. In some of these cases the timework element is the greater and in others the piecework element. As an example, mention may be made of the practice in the engineering industry in which workers paid by results also receive a flat-rate payment based on the number of hours worked. In some sections of the Iron and Steel Industry, on the other hand, the main element is a rate per shift, to which is added a bonus based on output.

The form of the standard or minimum time rates as established by collective agreements, awards or statutory orders is given in the annual issues of the volume "Time Rates of Wages and Hours of Labour"* which consists of a series of Tables showing the minimum or standard rates in operation in a large number of industries. These Tables illustrate not only the disparity of rates of wages between different industries, but also the degree of differentiation existing in each industry in respect of occupation and locality.

Safeguards

10. The standard time rate does not take account of individual qualities and tends to produce a uniform level of performance over the field. It does not contain any incentive to encourage the fullest possible use of individual ability. In modern industry a strong movement has developed towards the adoption of a system which recognises individual capacity and makes provision whereby it can be measured and remunerated. The forms which this has taken are infinite in variety. They are generally known as systems of payment by results. As the origin of these systems was remuneration on the basis of individual output the innovation was in the beginning regarded with suspicion by some Trade Unions. It obviously introduced the element of differentiation between workers which might have had the effect of weakening solidarity unless certain safeguards could be attached to the practice. Gradually safeguards have been discovered and applied and are now clearly defined in the terms of many of the collective agreements that cover wages and working conditions.

11. A prerequisite for satisfactory working of wage incentive schemes is joint consultation between employers and workpeople. This may involve the trade union representatives of the workers taking part in the detailed working out of the schemes, particularly if such schemes are to be applied on a uniform basis throughout an industry and embodied in a collective agreement, as for example in the cotton industry in Lancashire where many of the piecework lists are of general application. But whatever the scope of the

* Obtainable from H.M. Stationery Office.

scheme, it is essential that the operatives who are to work under it should understand its nature and purpose and be consulted at all stages in its application.

12. Among specific safeguards which have been adopted in some instances to protect the workers' interests, is the arrangement whereby, whatever the earnings may be under any system of payment by results, there is a guarantee of the basic time-wage for the period worked. Thus in the engineering industry national agreements made between the employers' federation and a number of trade unions provide that "in all cases day-work time rates of wages of the worker concerned shall be guaranteed irrespective of earnings". In addition to this in most agreements for the application of payment by results there is a provision whereby the piece rates are so arranged as to ensure that the worker of average ability will be able to earn a specified percentage over time wages.

In a few agreements a distinction is drawn between collective and individual systems of payment, as, e.g., in furniture manufacture where a certain percentage is fixed for collective systems and a higher percentage for individual systems. In some industries, however, e.g., glass container manufacture, narrow fabrics manufacture and rubber manufacture, the agreements stipulate that the piece prices shall be such as will normally yield specified weekly or hourly amounts which are at an appropriately higher level than the ordinary time rates. This method is also adopted in the majority of industries to which the Wages Councils Acts have been applied. Under the provisions of the Orders issued under these Acts, where general minimum piece rates have not been fixed, each piece rate paid must be such as would yield in the circumstances of the case to an ordinary worker at least the same amount of money as the "piecework basis time rate" applicable, or where there is no piecework basis time rate, the general minimum time rate applicable.

13. Other safeguards consist in conditions governing the process of fixing the piece rates or subsequent changes in these rates by mutual agreement. These conditions apply particularly where there is no uniform piece-price list. For example, in the engineering industry, where piecework prices and bonus or basis times are fixed by mutual arrangement between the employer and the worker who is to perform the work, it has been jointly agreed that no piecework prices, bonus or basis times once established may be altered except for the following reasons:—

- (1) a mistake in the calculation on either side, or
 - (2) a change in material, means or method of production or the quantities produced, or
 - (3) a mutual agreement between the employer and the worker in the same way as a new price is arranged.
- Similarly, in the furniture manufacturing industry, it has been

agreed that the times fixed for individual jobs shall be arranged between the employer and the workers affected, or the shop representative of these workers, or in some other way mutually satisfactory, and no variation of times is to be made except in the same way. A log book of times so arranged or varied is to be kept available to both sides for reference.

14. In addition to the safeguards referred to above which relate to the operation of the scheme, experience has shown the desirability, before the introduction of a payment by results scheme, of reviewing the organisation of work to ensure that it is well adapted to an incentive wage system. For example, it has been found to be of great importance that materials and work should flow evenly through the establishment and that the numbers of workers employed at any stage of production should be properly adjusted to the productive balance of the plant as a whole. Delays at any stage of a process may retard the completion of work, affecting the subsequent payment of bonus, and lead to resentment by the workers affected and possibly a slowing down of output.

It has also been found necessary to make sure that emphasis on greater output does not lead to an increase in the proportion of defective work, and that bonus payments are paid only in respect of work which will comply with a proper standard. Work recording systems showing the incidence of spoilt work, inspection arrangements, and other aspects of works organisation may therefore have to be reviewed before the introduction of wage incentive schemes.

PAYMENT BY RESULTS ON AN INDIVIDUAL BASIS

Straight Piecework—Uniform Price per unit

15. The most common of the schemes of payment by results which are purely individual in character, is what is called straight piecework. This means payment of a uniform price per unit of production. This system is most appropriate where production is repetitive in character and can be easily divided into similar units. The basic conception is equality of price for each similar unit. Accordingly, earnings vary directly with the number of units produced by the individual, for each of which the same payment is made. (The number of units produced, however, is not in all cases within the complete control of the individual ; it is in some cases largely determined by the speed of the machine.)

Where remuneration is based entirely on straight piecework, the wage cost per unit is a constant, so that an increase in output does not directly reduce the wage cost. Some straight piecework systems, however, are operated in conjunction with a flat-rate addition or bonus which is paid in relation to hours worked and not in relation to output, e.g., the supplemental payment paid to

adult male payment-by-result workers in the engineering industry (1s. 2d. as at 30th Nov., 1952). In such cases, therefore, it is true to say that the *piecework* cost per unit is constant, but not the overall wage cost per unit. The fixed charges in the process of production, which are part of on-costs, remain the same—irrespective of the volume of production. When production in a given period is increased the on-costs charge per unit is reduced, so that an increased output on straight piecework does mean a reduction in *total* cost per unit.

Straight piecework rates may be expressed in one of two main forms, "money piecework" or "time piecework". In the case of money piecework the employee is paid a flat money price for each piece or operation completed. In some industries (e.g., cotton, hosiery, boot and shoe manufacture, tinplate, light castings) these prices are contained in uniform piece price lists collectively agreed upon for a whole industry or section of an industry; in other industries they are arranged at the establishments of individual firms. In the case of time piecework, instead of a price being allowed for each operation or part of an operation, there is a "time" allowed. For the particular operation or job involved the worker is paid at his basic or piecework operative rate per hour for the "time allowed". If he finishes the job in less than the "time allowed", he gains the advantage of the time saved as he is still paid for the original "time allowed". It is unusual for such "times" to be embodied in collective agreements for a whole industry, but an important exception is the list of times for operations in the retail bespoke tailoring trade, now embodied in Wages Council Orders. Both the money prices and the times are frequently arrived at after time and motion studies or by means of other previously recorded data.

The operation of the straight piecework system led to difficulties in certain industries. In some cases the objection to the system was due to the action taken by some employers to reduce piecework prices when earnings rose rapidly and reached a level beyond that which in any industry in any district was regarded as a traditional standard. Such a process of cutting prices inevitably caused strong feeling against piecework and seriously disturbed industrial relations. Also, if over-generous piecework prices happened to have been applied to certain work, the workers developed the practice of "ca'canny"; in other words, the tendency to cut piecework prices when they had the desired effect of greatly increasing output actually militated against the operation of the system, because the workers re-adjusted their output to what were regarded as the habitual earnings standards. This points to the great importance of careful study of the job before fixing piecework prices. A piecework price that is seriously in error in either direction can be harmful both to production and to industrial relations. It also points to the value of joint consultation, both at the inception and during the continuance of a scheme, producing mutual confidence between employers and workers.

Differential Piece Rate Systems

16. Difficulties in operating the straight piecework system were the main cause of the evolution of systems in which the wage cost per unit was adjusted in relation to output. In some cases the objection to a constant wage cost per unit was met by reducing the piecework price after a certain numerical standard has been reached in a defined period but this was not done extensively because it seemed contrary to the idea of piecework as an incentive to output. Another practice which sometimes commended itself to industries with heavy over-head costs, was to increase the piecework price when the piecework output normal in a certain time has been exceeded.

The working out of various differential piece rate systems led to a more scientific study of wages in relation to output. From these studies emerged various forms of what are called Premium Bonus Systems. The two best known systems adopted in Great Britain are the Halsey (sometimes called the Weir) and the Rowan. Both systems are based on a standard time allowance and not on a money piece price, and when applied in their original form are so arranged that the wages cost per unit of production, to the employer, falls as output increases while the hourly rate of workers earnings also increases but not in proportion to the increased output.

In some establishments, however, although the broad principles of the Halsey and Rowan systems are followed, variations are made in the application of the method in order to vary the division between employers and workers of the increments of higher productivity. Provision can also be made under such adjustments for part of the benefits of more economical production to be passed on to consumers by way of price reductions.

Halsey or Weir System.

17. Under this system a certain time is allocated to any piece of work and a proportion of the time saved is paid to the worker. The basic time rate is guaranteed to the worker irrespective of the time taken. The usual position is that one half of the time saved is paid to the worker in addition to the time taken. This is expressed in the formula, wages equal time taken plus half time saved multiplied by the appropriate time rate. For instance, if the time allowed be 100 hours, and the time taken be 80 hours, then the payment is for 90 hours in the case where the proportion of the time saved to be included is one-half. This proportion is by no means constant and is varied according to the nature of the work.

It will be noted that the wage cost per unit of output is reduced as the time taken decreases. For example, on a time allowance of 10 hours, a wage per hour of 3s., and a premium of 50 per cent. the wage cost of the work if done in 8 hours will be 27s., per unit ; if the time taken is 6 hours, it will be 24s., per unit ; if 5

hours, 22s. 6d., per unit. At the same time the hourly earnings of the workers increase as the time taken decreases, being in the three examples quoted, 3s. 4½d., 4s. and 4s. 6d., an hour respectively. Where, therefore, output is increased, the wage cost per unit under this scheme, unlike straight piecework, is not constant but falls proportionately. This helps to meet the difficulties which frequently arose on straight piecework from inaccurate price fixing. Even if some error of this kind has occurred, its effect is not so serious under the Halsey system because the proportion of the time saved for which the worker receives additional payment is a constant on any particular job and the additional premium payment received by the worker is itself always lower than the basic hourly rate. This plan commended itself to industrialists because, to a great extent, it counterbalanced the factor which resulted in price cutting and frequent disputes—namely, error in rate-fixing.

Rowan System

18. Under this system also a time is allowed for the job and the wages are calculated on a formula which is as follows :—

$$\text{Time Taken} + \frac{\text{Time Taken}}{\text{Time Allowed}} \times \text{Time Saved.}$$

On a job with an allowance of 100 hours completed in 60 hours this formula would give payment for $60 + \frac{60}{100} \times 40 = 60 + 24 = 84$ hours. In this example it will be seen that the bonus paid is more than would be paid under the Halsey system with payment for half the time saved ; i.e., under the Rowan system 24 hours' payment would be the bonus and under the Halsey system 20 hours. This continues to be true as regards the Rowan system until the time saved is 50 per cent. of the time allowed. The moment it exceeds this the Rowan bonus is less than the Halsey bonus in cases where the latter is based throughout on payment for half the time saved. For instance, on the assumption that the time taken is 45 hours, the time allowed 100 hours, and the time saved 55 hours, the calculation under the formula in this case is as follows :—

$$45 + \frac{45}{100} \times 55 = 45 + 24\frac{3}{4} = 69\frac{3}{4} \text{ hours.}$$

In this case the Halsey bonus would have been 27½ hours' payment as compared with 24¾ under the Rowan system. In the exceptional case of a 100 hours' job being done in 30 hours, the time saved would be 70 hours and the bonus for 30 hours' work under the Rowan system would be 21 hours' payment whereas under the Halsey fixed percentage system the bonus payment would have been for 35 hours. The Rowan system is therefore specially suitable when the estimated time to be taken over the work is liable to be upset by circumstances which cannot be accurately foreseen or calculated.

PAYMENT BY RESULTS—COLLECTIVE

Squad, Group or Team

19. Nowadays collective schemes are common, but even in the early days of pieceworking co-operation in production made group or team piecework inevitable in some types of employment. At the present time the method operates to a varying extent within such industries as iron and steel manufacture, shipbuilding, tin-plate manufacture, chain making, textile dyeing and finishing, dock labour, coal trimming, glass and glass bottle manufacture, pottery manufacture, furniture manufacture, and for certain types of railway goods yard workers. The total earnings of the gang or group determined by results are divided between the constituent members on an agreed basis. For example, steel melting furnaces may be manned by three, four or five men. The earnings derived from the basic tonnage rates are divided in agreed proportions, e.g., 1st hand $38\frac{1}{2}$ per cent., 2nd hand $26\frac{1}{2}$ per cent., 3rd hand $20\frac{1}{2}$ per cent., 4th hand $14\frac{1}{2}$ per cent., where four men are employed on a furnace. In some industries the subordinate members of the gang are paid a fixed time rate out of the sum earned by the gang, but this system is tending to fall into disuse.

In the engineering industry there are two typical methods of distributing the earnings. In one, known as "distribution by rate," the total piecework earnings of the group are calculated and divided among the members of the group in the proportion of time worked multiplied by the basic rate of the worker concerned. This method is appropriate to groups where the basic rate factor is an indication of varying grades of skill or ability required in the operations constituting the group's task, e.g., skilled and semi-skilled operations both being performed in the same group. In the other, known as "equal bonus distribution", payment for time worked at the basic rates of all the participants is first extracted from the group's earnings and paid to each operator individually. The remainder of the group earnings is distributed on the time-worked factor only. The result of this in comparison with the first method is to restrict the effect of enhanced basic rates to the payment covering time worked only, instead of allowing it to qualify for a larger share of the bonus earnings also. This method is usual where the degree of skill or ability required on the various operations in the group's task is the same, but where there is for some reason a variation in the basic rates of the operators.

Department or Works

20. There are also various forms of payment by results in which a whole department or a whole establishment may be remunerated on some collective system. Usually a datum line is fixed for the output of the section or the works, and special bonuses are payable after this has been reached. One method is to take the output, for example over a month, and to enhance

the timework earnings by the percentage by which this is exceeded. For example, if the standard is 100 tons per month and 120 tons are achieved, then the bonus would be 20 per cent. on time rates to all workers. This is probably the simplest form which a collective system can take. Sometimes the bonus payable is expressed in terms of money instead of percentage, and as in the case of certain individual incentive schemes the increase in earnings represented by the bonus may not always be in exact proportion to the increase in production. It is obvious that account must also be taken of changes in the number of workers employed on that production.

Under a scheme known as the Priestman-Atkinson System of Co-operative Production, a "standard" output per man-hour may be calculated, based upon the actual output achieved in a normal period prior to the introduction of the scheme. The actual output per man-hour in any subsequent period is compared with this "standard", and if there has been an increase, a bonus on wages is paid at a percentage rate varying with the production over the "standard". Output may be measured in terms of the weight of the finished product, but as the weight of output is not, for certain types of product, a true index of the labour involved in their production, systems of allotting a "point" or "unit" value to each separate type of article or product have been adopted. These "points" or "units" are allotted on the basis of the amount of labour involved in producing any given article.

Other units of output may be adopted such as the value of the product, sales, etc. It is capable of application to all employees without exception—managers, clerks and labourers as well as those engaged more directly on production, but can be applied, if desired, to productive workers only.

21. Whereas the majority of schemes are apparently designed to stimulate the amount or rate of production, one of the main objects may be not increased production as such but a reduction in the costs of production which is made possible by increased productivity unaccompanied by any proportionate increase in overhead costs. Certain schemes have attempted to achieve this ultimate object by the more direct method of paying a bonus depending upon the reduction below a given standard in the quantity of material used, the hours worked or the wages cost, or upon avoidance of waste of raw materials, etc., per unit of production. Indeed it is conceivable that a bonus on production, especially in a period of general man-power shortage, may find its justification in merely maintaining the same output as formerly but with fewer persons employed. In a wage incentive method known as the Scanlon system which has been developed in America the amount available for distribution as bonus to all employees fluctuates in accordance with the ratio of labour costs to the total value of production within the establishment, or in accord-

ance with some other relationship between the worker and the over-all shop productivity.

Indirect Labour Bonuses

22. There are certain groups of workers to whom payment by results cannot be easily and straightforwardly applied. Claims on behalf of labourers, cranemen, maintenance men, and tool room hands, have been made on the ground that these workers contribute in some measure to the output which is directly achieved by other workers. Disputes on this particular question were not uncommon in the years 1914-1918, but between the two wars the issue was not settled on any sort of agreed basis and its consideration has had to be started afresh. It is now, however, increasingly recognised that in a payment-by-results shop or establishment, the ancillary workers on plain time rates to whose work payment by results cannot appropriately be applied, should participate in the bonus where they contribute towards the productivity or efficiency of the establishment.

There are various ways in which effect has been given to rewarding indirect workers according to results. In some cases a bonus may be paid which is calculated on the output of the factory or works, as in the case of bricklayers employed at iron and steel works. In other cases the bonus may be calculated on the bonuses or the total earnings of direct producers, or on a mixed or composite basis as in the case of maintenance men at Royal Ordnance Filling factories. Where the work of the indirect workers is itself measurable payment may take the form of ordinary piecework, as in the case of packers in the pottery industry or assorters and boxers in the tinplate industry. Some arrangements merely ensure a minimum standard of earnings for indirect workers without direct relation to the results of their own labours. Thus in the engineering industry it has been agreed that the minimum earnings of skilled operators in the tool room shall be not less than the average earnings of the skilled production workers (skilled fitters, turners and skilled machinists) in the same establishment for the same number of comparable hours worked.

OTHER SYSTEMS OF INCENTIVE PAYMENT

23. Under this heading may be grouped certain special systems of payment such as task work, the commission system and profit sharing.

Task Work

24. A system of payment which bears some relationship to bonus systems of payment is that in which there is a determination of the amount of work expected to be performed in return for the stipulated time rates of wages. Thus in the case of mastic asphalt laying an agreement made by the National Joint Council

for the Mastic Asphalt Industry fixes hourly rates of pay, and sets out, in a schedule of a "fair day's work of 8 hours", the quantities of work required for a normal day's output of 8 hours from gangs of the normal size. Extra work done over and above the quantities stated is paid for at ordinary time rates, but such daily bonus payments are not to exceed a maximum of 4 hours' pay in the case of country work and a maximum of 2 hours' pay in the case of town work. At the option of the employer, work requiring exceptional care or of exceptional difficulty can operate without the application of the bonus system.

In the case of coke-ovens and by-product works in the county of Durham the shift rates for certain classes of workers apply when a certain standard tonnage of coke is produced or when a certain standard number of ovens is drawn in the shift. When these standards are exceeded the shift rates are increased in proportion.

Again, in the farriery and blacksmith trade in the London area the rate for pieceworkers is expressed as a sum per day. A day's work consists of a stated number of horseshoes, and work done over and above the task work is paid for in proportion.

The system of "daywork" in operation in the boot and shoe manufacturing industry has some affinity to a task-work system. In this industry a national agreement provides that the basis of payment shall be either piecework (payment by results) or day work (agreed weekly wage). The piecework system of payment is governed by various agreed piecework price lists or statements, and the operatives are paid in all circumstances the amount actually earned according to the prices quoted in these lists or statements. Under the daywork system a weekly wage is agreed between the operative and the employer which is based upon the earnings of the operative reckoned at the statement prices. That is to say, the statements serve as a guide for the amount of work expected for the time rate. If the operative does work in excess of the quantity, he is paid for the excess at statement prices; if he should do less a corresponding reduction is made. Such reduction, however, is subject to the provisos that no operative is to be paid less than the general minimum rate applicable to the industry without the written permit of the trade union or of the local arbitration board, and that operatives who have not been supplied with a full quantity of work or given reasonable facilities for the proper performance of their work are to be paid not less than the appropriate rate for the hours worked.

In hand-made paper making a "day's" work system is in operation. This is a form of piecework based on an agreement between the employer and employee as to what is considered to be a normal day's output from a vat, or alternatively, the amount of paper of a particular sort which a vat crew is expected to make in consideration of a normal day's pay at plain time rate.

Each member of the vat crew receives his appropriate payment for the " day's " work irrespective of the time actually taken to do it.

Commission System

25. This system of payment applies to a varying extent to a number of classes of workers, such as commercial travellers, canvassers, insurance agents, and to some employees in certain sections of the retail distributive trades, hairdressers, dairy roundsmen and bread roundsmen. It may be either on an individual basis (as the turnover, sales, etc., of the individual) or on a collective or pool basis (e.g., on the gross turnover of a shop), and may represent a larger or a smaller proportion of the total remuneration. A few examples from the terms of collective agreements may be cited. The national agreement governing wages and conditions of employees of retail co-operative societies fixes scales of weekly wages for branch managers of grocery, butchery, etc., departments, and these scales vary according to average weekly sales, e.g., 15s 6d. for grocery managers in London when weekly sales average under £100 to 19os. 6d. for sales of £490 and under £510, with 1s. for every additional £20 (or part thereof) to £910, and 1s. for every additional £30 to £1,510. An agreement relating to bread deliverers in a certain locality provides for commission to be paid in addition to the appropriate normal rates of wages at the rate of 3d. per stone on bread sold on each round in excess of a basic " stonage ", which is the weekly average of bread sold for the four weeks ended 28th February, 1948, less 16 stones.

Work Measurement

26. In all the wage-incentive methods described in the preceding paragraphs it is desirable that the calculations should be based on the most accurate data available. In recent years there has accordingly been a growth in the practice of basing the calculations regarding the piece prices or the standard times allowed on detailed and systematic observations. This process is known by the general name of Work Study. Apart from providing the basis for incentive bonus calculations, it affords information which has proved to be valuable from the point of view of organisation of work, improving methods of working and production planning. Two of the most important elements in Work Study are Time Studies and Motion Studies ; either of these may be carried out independently of the other. Time Study determines the time required for the performance of a particular task. Motion Study is concerned with the determination of the most efficient method of performing the task. Both involve careful observations of the work as it is performed.

The Point-rating System

27. Where bonus is calculated on the basis of time saved and not on output as measured by production units, some schemes

embody a systematic procedure for determining the time allowed which takes precise account of certain contingencies such as allowances for rest periods, stopping and starting delays, personal requirements, etc. The time allowed may be expressed in the form of points or units with some such designation as "minute values", etc. These points or units require to be determined for each operation by time studies made by trained observers. One plan consisted in making an allowance for certain operations in terms of units which purported to represent the expenditure of energy, with due allowance for recovery, in one minute, there being 60 units in one hour. Expert rate-fixers determined that particular operations were worth χ units and if in the hour the work done aggregated more than 60 units, then a proportion of the excess was paid to the worker.

In a scheme of this kind in a printing establishment the procedure as far as the work of the machine operators was concerned was as follows. The work was broken down into its component "elements", and time studies made of different operatives on different machines and in every variety of conditions. Standard times were calculated for each element and a total established for the whole operation. Allowances were added on a percentage basis to cover rest, special strain (e.g., physical or visual) and contingencies. The time thus arrived at was expressed in minutes and called the "standard minute value" for the job. These values were then subjected to "production studies", i.e., were checked against current work, again with due adjustment for performance, and further time studies made where necessary. Finally, tables were made out, covering all operations in all classes of work, and these, after approval by the management, were submitted to the employees as the standard times, any improvement on which would earn bonus. To calculate the bonus earned, each operative is paid, every week, for the number of "standard minutes" due for the actual amount of work he has done in that week.

Profit-sharing and Industrial Co-partnership

28. The various systems described in the foregoing pages relate to "wages". The term "Profit-sharing" however is used as applying to cases where, in addition to wages, employees receive in partial remuneration of their labour, a share, fixed beforehand, in the profits realised by the undertaking. Profit-sharing so defined does not include either bonus systems dependent upon output, production, etc., or gratuities given at the discretion of the employer. The term "Industrial Co-partnership" is applied to schemes which enable the workers to acquire, on specially favourable terms, shares or other capital of the business employing them. Generally such schemes are regarded as a special kind of profit-sharing scheme and are not strictly incentive schemes of wage payment. It is claimed for these schemes, however, that

they give the worker a stronger sense of participating with management in a joint enterprise.

STATISTICS OF NUMBERS OF WORKERS PAID BY RESULTS

29. Particulars have been obtained from time to time by the Ministry of Labour and National Service of the extent to which payment by results (e.g., by piecework arrangements, output bonus schemes and any other schemes of payment which vary according to the output of individuals, groups or departments) obtains in different industries. The results of these enquiries have been published in the Ministry of Labour Gazette (*see* for instance the issue for April, 1952). A tabular statement of the results of the last enquiry made in October, 1951, based on returns from about 57,800 establishments and covering over 6½ million wage-earners employed in manufacturing industries generally and some of the principal non-manufacturing industries is given as Appendix VI. The returns from which the percentages of workpeople in each industry paid wholly or partly by means of results have been calculated, covered rather more than two-thirds of the total number of wage-earners employed in those industries at the time of the enquiry although the proportions covered by the sample varied widely in the different industries. In some cases—e.g., the building industry—the proportion was much less than two-thirds. In order to eliminate the effect of disparities in the proportions of wage-earners covered by the returns received in the different industries, the percentages of payment-by-results workers shown in the statement for the manufacturing industries as a whole and for all the industries combined, have been calculated on the basis of the estimated total number of wage-earners employed in the industries covered.

The principal industries not covered by these statistics were agriculture, coal mining, the railway service, the shipping service, port transport (dock labour), the distributive trades, the catering trades, the entertainment industries and domestic service. In agriculture workers in some areas are often employed on piecework for short periods on specific tasks, such as singling sugar beet, lifting potatoes, and thatching and some farmers pay special bonuses related to output or for special services. In coal mining in October, 1951, about 39½ per cent. of male workers (all ages) were employed on piecework or other system of payment by results. In the railway service piecework payments are common among the workshop grades, and various incentive or bonus schemes are operated in goods departments and in the collection and delivery of merchandise traffic. Piecework is also very common in dock labour (loading and unloading of cargoes and coal trimming). In the other industries mentioned above, however, systems of payment by results are believed not to be

extensively used, although it is probable that an appreciable number of workers in the retail distributive trades are paid partly on a commission system.

30. A comparison of the results of the Ministry of Labour and National Service enquiry in October, 1951, with the previous similar enquiries shows that the percentage of men and of all workers employed on payment-by-results systems in all the industries combined, has steadily increased from 18 and 25 in October, 1938 (the date of the first enquiry) to 28 and 32 respectively in 1951, although the percentage of women so employed, which was 46 in October, 1938, and 39 in October, 1947, had only reached 44 in October, 1951. However, in the manufacturing industries, as distinct from all the industries covered, the proportion of women on payment-by-results systems which had dropped from 48 per cent. in October, 1938, to 43 per cent. in October, 1947, again reached 48 per cent. in 1951. In October, 1938, the figures for the other categories of workers in the manufacturing industries were 29 for men, 26 for youths and boys, 27 for girls and 33 for all workers combined, compared with 38, 28, 39 and 40 in 1951.

Separate figures are not available of the percentages of workers paid under different systems, e.g., at piece-rates or time-allowances, or paid partly at time rates and partly by results, e.g., at time rates, plus output bonuses.

An analysis of the figures from the October, 1951, enquiry shows that the proportion of workers employed on payment-by-results schemes is much greater in large than in small establishments. For all industries covered by the Table in Appendix VI combined together, the proportions were as follows:—

<i>Size of Establishment (Number of wage-earners)</i>	<i>Percentage of wage-earners employed on payment-by-results schemes in October, 1951 per cent.</i>
Under 11	6
11-24	10
25-99	20
100-499	32
500-999	39
1,000 or more	44

AUTOMATIC ADJUSTMENT OF WAGES BY SLIDING SCALES

31. Before the 1939-45 war sliding scales based on the ascertained selling price of a staple product in an industry were not uncommon in some industries. In the Iron and Steel Industry, for example, under peace conditions there were periodical ascertainties (i.e., monthly, bi-monthly or quarterly) of the selling

price of a ton of a standard product and wages were regulated accordingly. The ascertainment was carried out by joint accountants and the regulation was in accordance with an agreement between the organisations of employers and workers. This plan worked very smoothly for many years but was not applicable to exceptional circumstances such as war time conditions, and in 1940 it was suspended in favour of a cost-of-living sliding scale.

A similar system operated in the Coalmining Industry where a percentage addition to basis rates was adjusted periodically in accordance with variations in the proceeds of the industry in each district, subject to over-ruling minimum percentages. The aggregate proceeds of the Industry were ascertained periodically and the balance, after the deduction of specified costs, was divided in fixed proportions as between wages and profits. The ascertainment agreements were suspended under the agreement reached in the Coalmining Industry in April, 1944, the percentage addition then payable being merged in the consolidated rates.

32. In a number of industries collective agreements between organisations of employers and workpeople are in operation providing for the automatic adjustment of wage rates, on a pre-arranged basis, in accordance with changes in the official Interim Index of Retail Prices published in the monthly issues of the Ministry of Labour Gazette.

Before this Index was introduced in June, 1947, wages in some industries had been regulated by the old cost-of-living index on the 1914 basis. This method of regulating wages was first introduced in certain industries at the end of the 1914-18 war, and was gradually extended to a number of other industries and services until the total number of workpeople covered by such arrangements had arisen, by the year 1922, to about 3 millions. In some industries and services these arrangements were subsequently suspended or abandoned, and by 1939 the number of workpeople covered had fallen to about 1½ million. During the second world war there was a further extension of such agreements to some other important industries, including coalmining, iron and steel, cotton, pottery and tobacco, and although in some industries and services sliding scales which were in operation at the beginning of the war were suspended or abandoned, the number of workpeople covered had risen by June, 1944, to about 2½ millions. After the end of the war, the scales in some important industries (e.g., cotton, wool, pottery) were abandoned and only a few new scales were introduced. Owing, however, to the increase in the numbers employed in some of the industries (e.g., building), in which sliding scales continued to operate, the number of workpeople whose wages were subject to the scales was still about 2½ millions in April, 1947.

33. The introduction in 1947 of the new Interim Index of Retail Prices with 17th June, 1947, taken as = 100, in place of the old

cost-of-living index removed the basis on which the existing agreements had been built. After various intervals of time many of the agreements were adapted to take account of the new index figure, but in a considerable number of cases the agreements lapsed. Industries in which the sliding-scale arrangements thus ceased to operate included, among others, coalmining and the following industries in which Orders issued under the Wages Councils Acts had provided for the minimum rates of wages to be varied in accordance with the changes in the cost-of-living index figure :—chain making, baking (Scotland), tobacco, perambulator and invalid carriage, brush and broom, hair, bass and fibre, and coffin furniture. Those industries in which no sliding-scale arrangements were in use before June, 1947, have not as a rule since adopted this system of regulating wages changes. An important exception is the printing industry which adopted a scale in July, 1951. It is estimated that the number of workpeople whose wages are now subject to periodical adjustments in accordance with movements in the Interim Index of Retail Prices is nearly 2 millions. About 95 per cent. of this total is accounted for by the building, civil engineering, iron and steel, printing, furniture manufacturing, boot and shoe manufacturing, and hosiery industries.

Provisions of the Agreements

34. The provisions of the different agreements vary as regards (a) the extent of change in the index figure which involves a change in wages, (b) the amount and the form of the wage change thus made, and (c) the period which elapses between one change in wages and the next, or the time when wages changes are due to come up for consideration.

As regards the first of these factors, the numbers of points of movement in the retail prices index figure that constitute a "step" in the sliding scale vary in different agreements from 1 to 10, the most common numbers being 1, 3, 4 and 5. Where the points factor is greater than 1, the sliding scales may take one of two forms. Some agreements specify certain groups of index figures, e.g., 113 to 116, 117 to 120, etc., and a change in wages occurs whenever the index figure passes from one group into another group. Some agreements, on the other hand, provide that the index number must move a certain number of points away from a standard or datum figure, e.g., 2 points from a standard of 100. That is to say, wages changes occur when the index figure reaches or passes certain fixed points, 102, 104, 106 and so on, intermediate figures being ignored.

35. As regards the second factor, the amount of the change in wage rates naturally varies with the size of the points factor. There are, however, differences in the "points value", i.e., the amount of the wage change corresponding with one point in the index figure. In form, the wage-change often consists of a flat-

rate amount (per hour, per shift or per week) generally uniform for all occupational classes and for timeworkers and pieceworkers, and differing only as between men, women and juveniles. Less frequently it consists of a percentage addition, likewise uniform for all classes of workers as well as for men, women and juveniles, but necessarily involving considerable differences in the resulting amounts of money payments made to different individuals. In a few cases the wage change is given in the form of a flat-rate for timeworkers and of a percentage for pieceworkers in the same industry.

36. As regards the third factor, the sliding scales fall into two main groups, viz., (a) those in which changes in wage rates occur whenever the index figure has moved the necessary number of points, and (b) those in which wages are reviewed only at specified intervals of time. In the case of scales falling under (a) the index figure for any month is liable to give rise to an immediate wages change. In the case of scales falling under (b) the changes in wages usually operate quarterly or annually, but occasionally every four or six months, and are based either on the figures for particular months, e.g., those published in issues of the "Ministry of Labour Gazette" for March, June, September and December, figures for other months being ignored, or on an average of the figures for a preceding period of six or twelve months. The agreements usually fix the day or the pay-week when the revised wage rate shall come into operation. This is generally early in the month next following the publication of the index figure in the "Ministry of Labour Gazette", but under some agreements the change does not take place until early in the second following month.

37. It will be seen from the above paragraphs that a given change in the index figure of retail prices does not have an immediate, or the same, effect on wage rates in all the industries in which the agreements operate. It may be sufficient to warrant a change in some cases and insufficient in others. In some cases it may result in a rise or fall in wage rates very soon after the change, while in others the index figure may have to remain at its new level for a period before a variation in wages operates.

CHAPTER XI

HOURS OF LABOUR AND OVERTIME RATES OF WAGES IN THE PRINCIPAL INDUSTRIES IN GREAT BRITAIN

1. In most of the important industries the normal weekly hours of labour and the rates of wages for hours worked as overtime are determined by voluntary collective agreements between organisa-

tions of employers and workpeople or by statutory orders under the Wages Councils Acts, the Catering Wages Act and the Agricultural Wages Acts.

NORMAL HOURS OF LABOUR

2. In the industries and services in which conditions of employment are regulated by collective agreements between organisations of employers and workpeople, one of the provisions of such agreements usually relates to the normal working hours. In the great majority of cases the agreements determine the normal weekly hours, exclusive of mealtimes, beyond which overtime rates of wages are payable, but in some cases the normal hours per shift or per day are fixed. The collective agreements do not, as a rule, impose a limitation on the number of hours that may be worked*, but in a small number of cases restrictions are placed on the duration of overtime working. The normal hours of labour beyond which overtime rates are payable are also specified by the various Orders under the Wages Councils Acts, the Catering Wages Act, and the Agricultural Wages Acts. The provisions with regard to normal hours contained in the collective agreements and the statutory orders referred to are summarised in the following paragraphs.

Length of the Working Week

3. The main provision of the collective agreements on the subject of hours of labour relates to the number of hours that constitute a full working week. With some important exceptions, the agreed normal weekly hours are either 44 or 45†. Among the industries in which the weekly hours are less than 44, are coalmining and printing; those in which the hours exceed 45 include agriculture, baking in England and Wales, building for the greater part of the year in many areas of England and Wales, retail distribution (other than by co-operative societies) and catering. Although the hours in most cases are fixed without qualification, there are instances in which a degree of flexibility is permitted or implied. For example, the agreement for the building industry in England and Wales empowers the National Joint Council for the industry to allow, in certain circumstances, variations from the normal weekly working hours specified in the national working rules. In some of the principal outdoor industries, the hours are of necessity limited to some extent by the duration of daylight. Thus in the building industry there are provisions for shorter hours during the winter period than in the summer and in some cases for still

*The hours of women and young persons in factories and other employments and of underground workers in coalmining are limited by certain Acts of Parliament.

†Particulars of the normal weekly hours in various industries are given in the annual issues of the volume "Time Rates of Wages and Hours of Labour," published by H.M. Stationery Office.

shorter hours in midwinter in cases where artificial light cannot be provided.

4. Generally speaking, the hours of labour fixed by a particular agreement apply uniformly to all workers covered by the agreement irrespective of age*, sex or occupation. In some industries, however, in which a proportion of the workpeople are employed on shift work, provision is made with regard to the hours of such workers as well as those of workers not employed on shifts. The principal industries in which shift working is regulated by agreements include mining, glass container manufacture, cement manufacture, coke ovens and by-product works, chemicals manufacture, pig iron and iron and steel manufacture, tin plate manufacture, engineering, electrical cable making, hosiery manufacture, rayon yarn production, flour milling, seed crushing, cocoa, chocolate, sugar confectionery and food preserving, beet sugar manufacture, furniture manufacture, paper making, rubber manufacture, electricity and gas supply. In some cases the agreements fix the length of the shift and also the normal weekly hours. Others do not specify how many hours or how many shifts a week a shift worker should work. In other cases, the agreements define the weekly number of hours of the shift worker without fixing the length or number of the shifts. In nearly all cases the length of the shift, where fixed, is 8 hours including any stoppages for mealtimes. The number of hours worked in the week, also inclusive of mealtimes, when averaged over the cycle of rotation of shifts, ranges from 40 in some industries up to 48 in others—up to 56 in the case of some 7-day workers.

For night workers as distinct from shift workers the agreed weekly hours are, with few exceptions, the same as for dayworkers.

Allocation of Weekly Hours

5. The collective agreements do not, in the majority of cases, specify the normal hours a day or the number of days to be worked in a week. The distribution of the agreed normal weekly hours over the days of the week is usually left to local arrangements. Even in cases where overtime rates are payable by agreement for excess hours on each day of the week, the agreements do not, as a rule, define the length of the normal day. In some industries, however, the agreements specify or suggest the times of starting and finishing work on each day. In other industries the agreements specify the number of hours a day beyond which overtime rates are payable, as well as the weekly number of hours. In industries covered by Orders issued under the Wages Councils Acts and the Catering Wages Act, the Orders, in most cases, declare

*In many employments the weekly hours of work of young persons under 16 years of age are limited by legislation (e.g. the Factories Acts, the Shops Acts and the Young Persons (Employment) Act, 1938), to 44 a week, irrespective of the hours fixed by agreements.

not only the weekly number of hours for the purpose of the application of overtime rates, but also the normal hours for the days, including Saturday or other weekly short day.

Five-day Week

6. A number of agreements provide that the weekly hours must be worked in 5 days, or are to be worked normally in 5 days unless special circumstances render it desirable to spread the hours over $5\frac{1}{2}$ days. In the coalmining industry a 5-day week was introduced at the beginning of May, 1947, but since October, 1947, there has been provision, by agreement, for the extension of the working week by working either a Saturday morning shift or an additional half-hour daily. In the engineering industry the hours are normally to be worked in 5 days unless otherwise arranged on account of particular circumstances. In the cotton industry the working week of 45 hours is to consist of 5 days of 9 hours' work each day. In general printing and book-binding establishments the hours of work are to be spread over the 5 days, Monday to Friday, subject to provisions for variation by house or local agreement to take account of house or local circumstances. In textile bleaching, dyeing, printing and finishing the 5-day week (Monday to Friday) is adopted in principle, but there is to be no embargo on Saturday morning working by agreement between the employer and workpeople concerned. In constructional engineering (outside steelwork erection) the day-shift hours are to be worked over $5\frac{1}{2}$ days for the 12 weeks, mid-November to mid-February, and over 5 days for the remainder of the year.

7. Other industries in which the agreements prescribe the 5-day week as the normal method of working include the following :— iron mining, slate quarrying in North Wales, building brick and refractory goods manufacture in Scotland, light castings manufacture, electrical cable making, brass working and founding, bobbin and shuttle making, penmaking in Birmingham, the precious metals industries, metal finishing, wool textiles in Leicester and Scotland, the hosiery industry in the Midlands and in Hawick, jute manufacture, textile making-up in Manchester, the leather industries, waterproof garment manufacture in Lancashire and Cheshire, tobacco manufacture, wallpaper making, electricity supply. In some other industries, including among others drug and fine chemical manufacture, heavy chemicals manufacture, wire and wire rope manufacture, furniture manufacture, wool textiles in Yorkshire and civil engineering construction, the agreements give the option of 5 or $5\frac{1}{2}$ day working. Thus in furniture manufacture the normal working week is spread over 5 or $5\frac{1}{2}$ days at the discretion of the individual employer, provided that, except by mutual agreement between such employer and the majority of his workers, a variation of the spread-over shall not be made by the employer more than once in any consecutive three months and then only after a clear month's notice of the

variation has been given to the workers. The shorter working week agreement for municipal tram, trolley-bus and motor omnibus services allows a 6-day week of 44 hours or an 11-day fortnight of 88 hours consisting of a 48-hour 6-day week alternating with a 40-hour 5-day week. Many of the wages regulation orders made under the Wages Councils Acts recognise the practice of the 5-day week by the inclusion of special provisions regarding the method of calculating overtime payments when such a system is in operation. Where the 5-day week is in such ways rendered permissible either specifically or by implication, it is probable that many or most of the firms have adopted this system, but no statistics are available to show which practice actually prevails in particular industries.

Mealtimes and other Breaks

8. The normal weekly hours of labour determined by collective agreements are usually exclusive of the time spent on meals. In a number of agreements the time and duration of mealtimes are fixed. In others, the agreements do not go beyond specifying whether there shall be one or two breaks for meals during the day. For example, it has been agreed that a one-break system shall operate in the engineering industry and a two-break system in civil engineering construction. Many agreements, however, either contain no reference to the duration of mealtimes or delegate the arrangements to individual localities or establishments. In the case of shift workers the agreed hours usually include intervals for meals, which may be taken at defined periods or at a time convenient to the workers concerned.

The minimum time allowed to elapse between two spells of work is sometimes specified. Thus in the railway service on all regular duties a period of 12 hours' rest is generally insisted upon between turns of duty at the home station and, in other cases, a minimum of 9 hours; exceptions are made, however, in the event of emergencies and in some cases when changing over duty at week-ends.

Spread-over of Hours

9. In some of the transport services, such as railway, tramway and omnibus services, the question of "spread-over" of hours arises when the day's work is split up into two or more spells of work (apart from necessary stoppage for meals). The term denotes the length of the period between the first booking-on for duty and the last booking-off during which the normal hours are to be worked. In these services, the agreements exercise some control over the extent of the spread-over, the form of control consisting mainly in fixing a maximum period over which the hours are allowed to be spread or requiring special allowances to be paid where the spread-over extends beyond a certain length of time. Thus in the railway service in which the normal hours of work are 8 in a day, spread-over working up to twelve hours a day may

be put into operation in the case of all grades, except drivers, firemen, guards and signalmen, subject to review through the negotiating machinery in respect of any station where it is contended that such a spread-over is unreasonable. Again, a national agreement relating to municipal tram, trolleybus and motor omnibus services provides that spread-over duties shall be reduced to the lowest possible minimum both with regard to their number and length, but any man working a spread-over duty of 10 hours or more shall be paid a minimum of 8 hours' pay and an added rate of 15 minutes for the first and 15 minutes for each succeeding half-hour by which the spread-over exceeds 10 hours.

10. Spread-over of hours is also a feature of the incidence of work in certain sections of the catering trade and provisions for special payment in connection therewith are included in the appropriate wages regulation orders issued under the Catering Wages Act. In the case of licensed residential establishments and licensed restaurants the Order provides for enhanced payments when there is a spread-over of hours of duty over 14 hours in any day (12 in the case of licensed residential establishments containing 35 or more rooms ordinarily available as sleeping accommodation for guests or lodgers). These payments increase as the length of spread-over increases. Workers employed in unlicensed places of refreshment are entitled to enhanced rates for all time worked between 7 p.m. and 5 a.m. on any day other than Sunday, the rest day or day of customary holiday. Between 7 p.m. and 11 p.m. an additional payment of one-eighth time is made, between 11 p.m. and 5 a.m. one-quarter and between 5 a.m. and 7 a.m. one-eighth. The Order relating to industrial and staff canteens requires an additional payment per hour to be paid to "split duty" workers, *i.e.*, those who are provided with full board and lodging for 7 days a week and whose normal hours of daily duty are spread over a period exceeding 10 hours inclusive of mealtimes but not exceeding 14 hours exclusive of mealtimes.

11. In view of the shortage of electricity at peak hours during and since the war in some industries special agreements have been made to facilitate the spreading of the electricity load by the staggering of working hours. Broadly speaking, such agreements provide for work performed between certain specified starting or stopping times (*e.g.*, 7 a.m. and 8 p.m.) or performed on a Saturday morning for the purpose of making up the full normal working week to be treated as normal hours and paid for at normal, and not overtime, rates.

OVERTIME RATES OF WAGES

12. In most of the industries in which the normal working hours are determined by collective agreements, provision is also made

with regard to the rates of remuneration for work done outside the normal hours, and in many cases with regard to the conditions under which such work is to be done*. In some instances the agreements limit the amount of overtime that may be worked or make stipulations as to breaks for refreshment or rest. Rates of payment for overtime are also fixed by the Orders under the Wages Councils Acts, the Catering Wages Act and the Agricultural Wages Acts.

The main provisions of collective agreements and statutory orders with regard to overtime working, as at December, 1952, are summarised in the following paragraphs.

Payment for Overtime

13. The rate of payment for overtime usually takes the form of a specified fractional addition to the rate of pay for work done in the normal hours, *i.e.* "time-and-a-quarter" (25 per cent. above the ordinary rate), "time-and-a-half" (50 per cent. above the ordinary rate), and "double time" (twice the ordinary rate). In many cases the rate progresses according to the duration of the overtime worked. Thus overtime pay often begins at the rate of time-and-a-quarter and after two hours' work rises to time-and-a-half, and may, in some cases, further rise to double time after four hours' work or after midnight. Less frequently the rate does not vary with the duration of the overtime or does not rise until work is prolonged after midnight. In place of a fraction, the overtime rate sometimes takes the form of specified rates of time-wages higher than the ordinary rates, as in agriculture, but examples of such rates are not frequent. Overtime performed on Saturday afternoon at establishments where work is spread over 6 days, frequently entitles the work-people to a higher rate than that paid for overtime worked on other week-days. For instance, all overtime worked on Saturday afternoon is paid for at a rate of time-and-a-half in many industries in which some of the overtime on other days is paid for at time-and-a-quarter. The same overtime rates apply in many cases to work done on Saturday mornings at 5-day week establishments, but some agreements fix a special rate for such work (*e.g.*, time-and-a-half in the engineering industry) which is not identical with the overtime rate fixed for Saturday afternoon work in 6-day establishments. Such special rates are included in many of the wages regulation orders made under the Wages Councils Acts, and some of these prescribe a somewhat higher rate for overtime on Saturday afternoons than for Saturday mornings, as for instance (a) time-and-a-half for all time worked on Saturday in excess of 4 hours in 6-day establishments and (b) time-and-a-quarter for the first two hours worked on Saturday and time-and-a-half for subsequent

*Particulars of the overtime rates of pay in various industries are given in the annual issues of the volume "Time Rates of Wages and Hours of Labour", published by H.M. Stationery Office.

hours in 5-day establishments. For Sunday work, when performed by operatives who are not normally required to work during the week-end, the agreed rate is, with a few exceptions, double time. It may be observed that in certain of the continuous process trades in which week-end work forms part of the normal week for workers in rotation, payment for such work is usually at an enhanced rate, *e.g.*, time-and-a-half or double time. For work performed on public holidays, both national and local, by operatives who are not normally required to work, the rate is generally either time-and-a-half or double time. In addition to this extra payment, workers in a number of industries are also entitled to the holiday pay or another day's holiday with pay granted later in place of the holiday not taken. The full remuneration for the work done may, therefore, be equivalent to as much as treble time.

14. The enhanced rates of wages for overtime may be payable for time worked in excess of the normal hours on each day, or in respect of time worked beyond the normal weekly hours. Where overtime payment is on a daily basis, the worker becomes entitled to the higher rate of pay as soon as the normal daily hours of labour have been performed, irrespective of the aggregate number of hours worked in the week in which the overtime occurs. Where the payment is on a weekly basis, the worker is not entitled to the enhanced rate until after the full number of hours constituting the normal week have been completed. The majority of agreements fall into the former class, but there are a number of important agreements (including, *inter alia*, those relating to hosiery manufacture, boot and shoe manufacture, flour milling, and the non-trading services of Local Authorities in Scotland) which are in the latter class. In some cases the two systems operate simultaneously. Certain wages regulation orders made under the Wages Councils Acts specify the normal number of weekly hours for which the minimum rates are payable and beyond which overtime rates have to be paid, and most of the Councils have also declared the daily hours beyond which the overtime rates apply. Since the total of the normal daily hours (usually 4 to 5 on Saturdays or other weekly short days, 8 to 9 on other weekdays and 9 where a 5-day week is operative) in many cases exceeds the normal weekly hours, overtime rates may be payable in respect of excess hours worked during the week, even though the time worked on any day may not have exceeded the declared normal daily hours. In the case of some agreements it is not specifically stated whether the overtime rates should be applied on a daily or a weekly basis. The payment of overtime rates on either basis is, in many cases, subject to a number of qualifications, the nature of which is described below.

15. In many agreements provision is made that time lost for various reasons shall be made up before the overtime rate becomes payable. Thus, the national engineering agreement states that

a full day is to be worked before overtime is reckoned except for time lost through sickness certified to the satisfaction of the employer, lying-off on account of working all the previous night, absence with leave, or enforced idleness. Where works are on short time "no overtime shall be paid for work done between the full-time starting hour and the full-time stopping hour, but work beyond these limits shall be paid for as overtime provided the full shortened day has been worked." Similar provisions are made in the agreements for cement manufacture, paint, varnish and lacquer manufacture, shipbuilding, railway workshops, and electrical cable making. The national building trade agreement states that "overtime shall not count until the full time for the day has been made; this provision not to apply unless the loss of time is through the workman's own fault." A similar provision that time lost through no fault of the workman need not be made up is found in a number of other agreements. Thus in the national boot and shoe agreement the requirement that the operative must have worked the full period of a normal week is relaxed when an interruption has occurred for which the employer is responsible or time has been lost through sickness certified to the satisfaction of the employer, but overtime worked to make up loss of time due to breakdowns, fire or flood or to holidays given at the request of the operative must be paid for at normal and not at overtime rates. In a number of industries in which overtime is on a weekly basis, it is nevertheless agreed that time worked during the week-end shall be paid for at enhanced rates irrespective of the number of hours worked by the operative during the ordinary week-days.

16. Some agreements make special provision to meet the case in which an interval elapses between the close of the working day and the commencement of overtime working. The national agreement for the engineering industry, for example, stipulates that when a man is called back to work after having ceased work and gone home the overtime payment should commence from the hour of re-starting work but should be at the rate payable as though the work had been continuous. In agreements in the printing trade a common provision is that when overtime is not continuous from the time of stopping work an additional hour's overtime, designated "call money" shall be paid over and above the hours actually worked. Other agreements require that workers recalled should have a minimum number of hours paid for; a few agreements fix overtime rates which are higher than the normal overtime rate, when overtime is not continuous.

17. Overtime worked before the normal hours sometimes entitles an operative to a higher rate of pay than for work performed after the normal hours. In electrical cable making dayshift workers brought in to work before the normal starting time are paid at the rate of time-and-a-half for all such time (instead of time-and-a-

quarter), irrespective of whether the normal day is subsequently worked. The great majority of agreements, however, do not distinguish between these two periods of overtime.

18. Other matters connected with the question of overtime payment which are dealt with in some of the agreements, include payments for working through mealtimes ; notice required from the employer before instituting a period of overtime ; interval for rest and refreshment during a prolonged spell of overtime work ; the grant of an allowance towards the expenses of mealtimes taken during overtime ; the payment or non-payment, according to circumstances, of overtime to a shift worker continuing to work after the termination of his proper shift as a substitute for another workman who has failed to turn up ; and the calculation of the payment due in respect of fractions of hours.

Overtime Rates for Pieceworkers

19. In some agreements or Orders special provision is made in regard to the overtime rates for pieceworkers. These provisions may be classified into three types :—

(1) In a few cases the additional payment in respect of overtime work is expressed as a fraction of the ordinary piece rates, or the earnings thereon. This is the case with boot and shoe operatives, for whom the agreement provides that overtime worked on weekdays (except Saturday, for which day a higher rate has been agreed) is paid for at the rate of 25 per cent. over the piecework rates. In the shipbuilding industry the overtime allowance for pieceworkers on daywork is $33\frac{1}{3}$ per cent. of the average hourly piecework earnings based upon the hours worked in the pay week in which the overtime occurs, inclusive of the overtime hours. In coalmining the extra remuneration (of time-and-a-half, etc.) is based, in the case of pieceworkers, upon the actual gross earnings, either of the individual concerned or on an average of the earnings of the pieceworkers in the district as may be mutually agreed.

(2) In some other cases the ordinary piecework rates are paid for work done in overtime, but the workpeople receive in addition to their piecework earnings a supplementary flat-rate payment for each hour of overtime. For example, in the wool textile industry in Yorkshire the additional overtime payments for men on piecework are $7\frac{1}{2}$ d. an hour for the first two hours and 1s. $2\frac{1}{2}$ d. an hour thereafter, the corresponding payments for females and male workers under 21 years of age being 5d. and 10d. an hour. Other industries in which this method has been established include hosiery manufacture and hosiery bleaching in the Midlands and carpet manufacture.

(3) The third method of payment, which is by far the most general, consists of a payment (additional to piecework earnings) which is a fraction of the ordinary time rate to which the workers

would be considered as entitled if not working by the piece. Thus in the national agreement for the engineering industry it is stated that "the recognised overtime allowances calculated on day work time rates shall be paid in addition to earnings under any system of payment by results." Similarly, in the paper making industry it is agreed that pieceworkers working overtime shall, in addition to their piecework earnings, be paid the same extra payment over the ordinary time rates as is received by time-workers of the same grade for such work.

The same system operates in other important industries, including chemicals manufacture, railway workshops and printing.

The provisions as to overtime payment for pieceworkers contained in Orders under the Wages Councils Acts vary to some extent. In most cases the additional payment is either a fraction of the piecework basis time rate or a fraction of the general minimum time rate, which is added to the piecework earnings.

In various other industries, in which some piecework is performed, the agreements which fix the overtime rates make no specific reference to pieceworkers.

Restrictions on Overtime work

20. The collective agreements in some industries contain provisions imposing restrictions on the amount of overtime that may be worked. These industries include engineering, shipbuilding, hosiery manufacture, carpet manufacture, textile bleaching in Lancashire and Yorkshire, paper making, printing, building and electrical contracting, as well as a number of smaller industries or sections of industries in particular localities. The type of restriction imposed may be exemplified by the national agreement for the engineering industry, which, after enunciating the general principle that systematic overtime is deprecated as a method of production, provides that when overtime is necessary "no union workman shall be required to work more than 30 hours' overtime in any four weeks after full shop hours have been worked, allowances being made for time lost through sickness, absence with leave or enforced idleness," but that in cases of breakdowns, repairs, replacements and alterations (whether for the employers or their customers) and in certain other emergencies, overtime is not to be restricted.

There are similar provisions in the agreements for the shipbuilding and electrical contracting industries. In other agreements the nature of the provisions varies somewhat. Overtime is usually restricted to a certain number of hours a day, a week or a month, but provision is often made for the limit to be exceeded under certain defined circumstances. In the building industry it is restricted to "cases of urgency," but no definite limit is placed on the number of hours that may be worked except that involved in the provision that overtime shall not be continued for more

than six days consecutively, unless by consent of a local joint committee of employers and workpeople. Occasionally the restriction takes the form of defining the maximum length of a single spell of work as in the national shipbuilding agreement which stipulates that, with certain exceptions, overtime is not to involve more than 24 hours' continuous work including mealtimes.

21. As regards the decision to work overtime, an agreement in the engineering industry provides that the right to decide when overtime working is necessary should reside with the employers, the workpeople or their representatives being entitled to bring forward any cases of overtime they desire to have discussed. Reference of questions of overtime to a joint body of employers and workpeople or to trade union officials is contained in some agreements, including those relating to the building trade, granite quarrying in Cornwall, waterproof garment manufacture, paper making, and printing in Scotland.

In some other agreements, *e.g.*, for electrical cable making and vehicle building, while no definite prohibition or limitation is placed upon overtime working a clause is included to the effect that overtime, or systematic overtime, is to be deprecated or discouraged.

CHAPTER XII

INTERIM INDEX OF RETAIL PRICES

1. Official "cost-of-living" index figures were instituted in the early stages of the war of 1914-18, with a view to measuring the percentage increase month by month in the cost of maintaining unchanged the standard of living prevailing among working-class households in July, 1914. For this purpose, regular inquiries were undertaken in order to obtain particulars of the changes in the retail prices of a wide selection of the principal items of working-class family expenditure. From these particulars the average percentage increase since July, 1914, in the prices of all the items combined, was computed month by month, allowance being made in the calculations for the varying importance of the different items included. The index was designed to measure the average percentage changes in the retail prices of a fixed list of commodities and services bought by working-class households. It did not purport to reflect changes in expenditure resulting from alterations in supplies or consumption.

2. For some years before the 1939-45 war, it had been officially recognised that in view of the changes which had taken place in working-class standards of living since 1914, the list of items of

which account was then taken in the index, and the "weights" used in the calculations, were in need of revision; and in April, 1936, the Minister of Labour announced that an inquiry was to be instituted in order to obtain the information, as to the current distribution of working-class expenditure, required for the purpose of these revisions. A Committee was appointed to advise as to the methods by which this information should be obtained, and in 1937-38 a comprehensive inquiry was undertaken on lines approved by the Committee, budgets giving details of expenditure in each of four weeks at quarterly intervals being obtained from more than 10,000 working-class households distributed over the United Kingdom. A summary of the information so obtained was published in the issue of the "Ministry of Labour Gazette" for December, 1940, and January-February, 1941. This information, however, related to expenditure under peace-time conditions and was not, therefore, suitable to serve as a basis for a cost-of-living index in the changing circumstances created by the war. Further action as to the revision of the existing index had accordingly to be deferred pending the restoration of less abnormal conditions.

3. On 8th August, 1946, the Cost-of-Living Advisory Committee was appointed to advise the Minister of Labour and National Service on the basis of the official cost-of-living index figure and on matters connected therewith. The Committee recommended in March, 1947*, that the cost of living index should be terminated and that, as a temporary measure, pending the results of further study and examination, an interim index should be instituted at an early date, starting at 100, to show future monthly changes in the level of retail prices weighted according to the pre-war pattern of consumption disclosed by the family budget enquiry† undertaken by the Ministry in 1937-38. A Technical Committee was appointed to prepare a scheme showing how the information collected in 1937-38 could best be adapted for the purpose. The recommendations of this Committee for the construction and calculation of the interim index, which dealt with such matters as the selection of the items for which prices were to be collected, the machinery for obtaining reliable information as to prices, the localities from which such information should be collected and the system of weighting to be adopted, were accepted. These recommendations were made on the understanding that an index so constructed would serve until such time as full consideration could be given to the details of a permanent index relating to a period when the expenditure of working-class households could be recorded in a market considerably more free than it was when the Committee made their Report. On the basis of these recommenda-

*Interim Report of the Cost of Living Advisory Committee (Cmd. 7077). (H.M.S.O. 6d. net.)

†This enquiry covered manual workers in general and non-manual workers with wages or salaries not exceeding £250 a year.

tions, the interim index was introduced as from 17th June, 1947, with prices at that date taken as = 100.

4. In December, 1950, the Cost of Living Advisory Committee was called together again to consider whether conditions of spending had become sufficiently stable to justify the holding of a new full-scale enquiry into family expenditure which would provide up-to-date information on current spending to serve as a basis for a new and more permanent index. In June, 1951, the Committee presented their second Report*, in which they recommended that a comprehensive enquiry of this kind should be held as soon as possible. In the meantime, since the results of such a budget enquiry would not become available for some time, the Committee, in a third Report†, made a number of recommendations for modifying the basis of the interim index until such time as a new index could be started. The changes recommended by the Committee were put into effect as from January, 1952. The following paragraphs give details of the construction and calculation of the index since its introduction in June, 1947, and they include the changes which were made in January, 1952.

I. SCOPE AND STRUCTURE OF THE INDEX

Commodities included in the interim index

5. The index covers the following main groups of items :—

- I. Food
- II. Rent and Rates
- III. Clothing
- IV. Fuel and Light
- V. Household Durable Goods
- VI. Miscellaneous Goods
- VII. Services
- VIII. Alcoholic Drink
- IX. Tobacco

Each "group" consists of a number of "sections", e.g., bread, beef, fish, etc., in the Food group, and men's outer clothing, men's underclothing, etc., in the Clothing group. In each section, one or more separate "items" have been chosen for which individual prices are collected. The list of the "groups", of the "sections", and of the "items" for which prices are ascertained, is given in Appendix VII.

6. The following items which entered into the 1937-38 budgets are not included in the index :—income tax ; national insurance contributions ; insurance premiums ; payments to pension funds,

*Interim Report of the Cost of Living Advisory Committee (Cmd. 8328). (H.M.S.O. 6d. net).

†Cost of Living Advisory Committee. Report on the Working of the Interim Index of Retail Prices (Cmd. 8481). (H.M.S.O. 1s. 6d. net).

etc. ; subscriptions to trade unions, friendly societies, etc. ; payments to hospital funds ; church collections, etc. ; expenditure on football pools and betting ; and gifts in cash. Some of these disbursements are in the nature of deductions from, or allocations of, income before the balance becomes available for ordinary expenditure on goods and services, and whatever element of expenditure they may contain is not suitable for incorporation in an index of retail prices because of the variable and non-measurable nature of the services obtained. In view of the inter-relation between the National Insurance and National Health Schemes, hospital funds, etc., and doctors', dentists', etc., fees, this latter type of expenditure is also omitted.

7. For other items it is, of course, impracticable, and indeed unnecessary for the purpose of the index, to attempt to measure separately the changes in the prices of every item on which there was some expenditure by working-class households in 1937-38. The Technical Committee, therefore, listed the sections of each group and then proceeded to select those individual items within each section which accounted for the greater part of the total expenditure of the section, and which, in combination, might be expected to reflect price changes in the section as a whole. They also had in mind the necessity for selecting items for which price movements can be ascertained sufficiently independent of any movement due to changes in quality.

8. For certain of the items—holiday expenditure, expenditure on meals away from home, payments to Christmas clubs, presents in kind, and a small amount of expenditure which was undefined or unclassified in the analysis of the 1937-38 budgets—the recorded expenditure has been regarded as appropriate to the index as a whole and distributed proportionately over the various groups. This means that their price changes are regarded as being adequately represented by the movement of the index as a whole.

9. The selection of items to be included in the index involved the consideration of many problems and the conclusions, in some cases, require a somewhat detailed explanation. Notes on these items are accordingly given in Appendix VIII.

Weighting basis used up to January, 1952

10. During the period June, 1947, to January, 1952, the weighting system in use was based on the pattern of consumption shown by the working-class budgets collected in 1937-38. The index showed, at monthly intervals, the percentage changes as compared with June, 1947 (the "base date") in the total cost of purchasing goods and services such as were recorded as having been bought by working-class households in 1937-38. It follows that the index started from the cost of purchasing these things in mid-June, 1947. But since the index measures *percentage* changes in price, it was not necessary to compute the actual aggregate cost of these things

in June, 1947. It was sufficient to know the relative proportions which the various groups and sections bore to the total. These proportions were the index weights used during the period June, 1947 to January, 1952, and they represented the proportions shown by the 1937-38 budgets*, adjusted to take account of the broad changes in relative prices between that date and mid-June, 1947. The information about price changes between 1937-38 and mid-1947 was not in any case sufficiently accurate for the purpose of calculating the aggregate cost of all the items in 1947, although it was sufficient for the purpose of computing relative weights. It should be remarked that such proportions, when used as weights for an index, need not be known very precisely, and weights are indeed normally taken in round numbers, even when exact figures are available.

11. In selecting the items for inclusion in each section of the index, so far as possible items were chosen which predominated in 1937-38. In some cases (e.g., milk) the section consists of only one item. In most cases, however, there were several items of importance and these usually entered into household expenditure in sufficiently equal proportions to justify equality of weighting within the section. In other cases provision was made for a heavier weight for particular items by including more than one grade or variety (e.g., men's suits). This is in any case desirable since the movement in the price of one cheap variety of an important item may be significantly different from that in the price of a better quality variety. In only a few cases was it necessary to assign to items a multiple or fractional weight. Generally, therefore, an unweighted average of the percentage changes in the prices of the selected items gave a representative figure for the section as a whole.

12. The index figure for each of the main groups was obtained by combining the separate percentage changes in price for the various sections within the group in proportion to the section weights, these weights being those described in paragraph 10 above. It should be added that each section weight covered the whole of the expenditure on that section, as shown by the 1937-38 budgets, and not merely the expenditure on the representative items in respect of which price changes are ascertained.

13. Similarly, the index figure for "all items" was obtained by combining the separate percentage changes in prices for the main groups in proportion to the weights for these groups.

14. In their Interim Report of March, 1947, the Cost of Living Advisory Committee stated that the general pattern of consumption shown by the 1937-38 budgets could be taken as typical of the

*Excluding the items referred to in paragraph 6. See also the explanation, in paragraph 14, of the adjustments made in respect of drink and tobacco.

habits and customs of the immediate pre-war period, with the exception of drink and tobacco. They noted that in presenting the results of the budget enquiry the Ministry of Labour had stated that there were indications that the expenditure on tobacco and cigarettes was not in all cases fully stated, and that personal expenditure on beer, spirits, etc., was not fully reflected. In view of these statements the Advisory Committee thought that it was desirable to allocate, for the purpose of the new index, a weight to alcoholic drink and tobacco in excess of that shown by the budgets. On the basis of available statistics the Technical Committee estimated that the average expenditure of working-class households on alcoholic drink and tobacco in 1938 was about 10s. a week. Further, they estimated that, on the basis of consumption in 1938, this amount was distributed in the following proportions :—

	<i>Per cent.</i>
Beer, etc.	53
Spirits and wines	5
Cigarettes	33
Tobacco	<u>9</u>
	100

These proportions, adjusted to take account of changes in relative prices between 1937-38 and mid-1947, were used for weighting purposes.

15. The weights used for the purpose of combining the percentage changes in prices for the sections and groups of the index during the period June, 1947, to January, 1952, are shown in Appendix IX. The weights allocated to each of the groups were as follows :—

	<i>Per thousand</i>
I. Food	348*
II. Rent and Rates	88
III. Clothing	97
IV. Fuel and Light	65
V. Household Durable Goods	71
VI. Miscellaneous Goods	35
VII. Services	79
VIII. Alcoholic Drink	101
IX. Tobacco	<u>116</u>
	1,000†

*It was assumed that the price movements of rice, sago, etc., coffee and coffee essence and food for animals corresponded with those of the food group as a whole. The weight appropriate to these items, which accounted for about 0.5 per cent. of the total weight of all the groups, was assigned to the food group and distributed proportionately over the various sections of that group.

†It was assumed that price movements in respect of holiday expenditure, meals away from home, Christmas clubs, presents in kind, education, music lessons, etc., and a small amount of unclassified expenditure corresponded with those of all the items in the index as a whole. The weight appropriate to these items, which accounted for about three per cent. of the total weight of all the groups, was distributed proportionately over the whole of the groups and sections of the index.

Weighting Basis used from January, 1952

16. In accordance with the recommendations made in the Report* of the Cost of Living Advisory Committee on the Working of the Interim Index of Retail Prices, a number of changes in the method of computing the index were brought into effect as from January, 1952. The most important of these changes was that concerned with the weighting basis. For a full account of the Committee's reasons for recommending alterations in the weighting basis and of the methods used to arrive at a new series of weights, reference should be made to the Report in question. In brief, the change in weighting involved the replacement of the earlier weights, which were in proportion to the pre-war pattern of consumption valued at the prices ruling in mid-1947, by a new series of weights which were roughly in proportion to the 1950 pattern of consumption valued at the prices ruling at the date of the alteration, viz., January, 1952. These new weights are now used to measure the average percentage change in the level of current prices compared with the level in January, 1952. Accordingly, the average price level for each item, section and group in the index as at mid-January, 1952, is taken as 100 and for each subsequent date the indices representing the corresponding price levels are combined, by means of these new weights, in order to produce a general index representing the average change in the prices for "all items" since January, 1952. In these processes the procedure is similar to that followed before January, 1952, except that the base date for these particular calculations is January, 1952, instead of June, 1947, and the new weights are used in place of those used up to January, 1952.

17. The result of the calculations now made on this basis each month is an index figure for "all items" for the current month with January, 1952 taken as = 100. But in order to avoid any interruption in the continuity of the series of "all items" index figures based on June, 1947 taken as = 100, the current month's index figure is converted into an index figure on the base June, 1947 taken as = 100. This is achieved by a simple "linking" process. At the date when the weighting basis was changed, viz., mid-January, 1952, the "all-items" figure, taking prices in mid-June, 1947 as 100, was 132, but correct to one decimal it was 132.5. For some later date let us assume that the index figure on the new basis with prices in mid-January, 1952 taken as = 100 is found to be 105 (105.2 correct to one decimal), i.e., the average rise in prices since January, 1952 has been 5.2 per cent. Thus an addition of 5.2 per cent. to 132.5 ($132.5 \times 105.2 \div 100$) = 139.4, published as 139, would give the current month's "all items" index on the original basis of prices in June, 1947 taken as = 100. This is the procedure followed each month, starting with February, 1952, in order to produce "all items" index figures comparable with those for earlier dates.

*See † Note on page 208

18. It is necessary to point out that if any attempt were made to use a similar "linking" process for computing indices for the separate groups and sections on the basis June, 1947 taken as 100, the resulting figures could not then be combined, by means of either the old or the new weights, in order to arrive at the officially published index for "all items". Indeed, no fixed set of weights applied to such group and section indices would produce the same "all items" figure, based on June, 1947, as that resulting from the procedure described in the previous paragraph. The "linking" procedure is valid when applied to the "all items" figures themselves, but for the reasons already given and for other reasons which would require rather lengthy explanations, no attempt is now made to calculate indices on the basis June, 1947 taken as = 100 for any of the separate groups and sections of the index.

19. The new weights which have been used from February, 1952, onwards, for the purpose of combining the percentage changes in prices, since January, 1952, for the various sections and groups of the index are shown in Appendix IX. The weights allocated to each of the groups are as follows :—

				<i>Per thousand</i>
I.	Food	....	....	399
II.	Rent and Rates	....	....	72
III.	Clothing	....	....	98
IV.	Fuel and Light	....	....	66
V.	Household Durable Goods			62
VI.	Miscellaneous Goods	....	....	44
VII.	Services	....	....	91
VIII.	Alcoholic Drink	....	....	78
IX.	Tobacco	....	....	90
				<hr/>
				1,000
				<hr/>

II. METHODS OF COLLECTING PRICES

20. The following is a summary of the methods adopted for the different groups of items.

Group I—Food

21. Information for most of the food items is collected by personal visits to retailers by local officers of the Ministry of Labour and National Service.* The prices actually being charged for each of these items on the date to which the index relates are ascertained by these local officers; the prices for each article are collected from five retailers, selected by the Manager of the local office as typical of those from whom working-class households

*The information so collected, and all other information supplied for the purpose of the index, is subjected to critical examination in the Statistics Department of the Ministry.

commonly make their purchases, except in localities in which satisfactory information can only be obtained from a smaller number. The same retailers are visited each month, but substitutions are made when circumstances render it necessary. Where possible, one of the retailers is the local co-operative society and another is a branch of a chain store.

22. For certain proprietary manufactured foods, information about changes in retail prices is obtained by correspondence between the Statistics Department of the Ministry of Labour and National Service and selected manufacturers. The particular brand to be priced is specified, and at intervals each manufacturer is asked to report on any change in quality in order that allowance may be made for these changes in quality (if any) when comparing the actual prices at successive dates. Occasionally a check on these prices is made by local enquiries of retailers. The items covered by this type of enquiry are :—

Biscuits	Canned salmon
Rolled oats	Canned sardines, etc.
Breakfast cereals	Canned vegetables
Condensed milk	Canned fruit
Dried milk	Custard powder
Proprietary food drinks	Table jelly
Coffee essence	Sauces
Cocoa	Table salt
Chocolate	Soft drinks
Boiled sweets	Ice cream
Jam and marmalade	

23. For cakes, etc., a rather similar procedure is followed, information about changes in prices, sizes and quality being obtained from leading manufacturers. For tea, price changes were computed by reference to the changes permitted under the Price Control Orders. The procedure for tea since price control ceased is similar to that for manufactured foods.

24. In selecting the localities from which prices should be collected, the Technical Committee were guided by the general principle that reliable information in respect of a smaller number of areas is preferable to imperfect information from a larger number. So far as information is obtained by local offices of the Ministry of Labour and National Service with regard to food (and a few other items for which prices are similarly collected), it is obtained in respect of 200 local office areas, grouped according to the population (in 1947) of the towns as follows :—

- (a) Greater London (25 areas) ;
- (b) Towns with a population of 200,000 and over (25 areas) ;
- (c) Towns with a population of 50,000 to 200,000 (50 areas) ;
- (d) Towns with a population of 5,000 to 50,000 (50 areas) ;
- (e) Towns with a population of under 5,000 (50 areas).

The towns in respect of which these prices are obtained are shown in Appendix X. The grouping by population and the selection of the localities within each population group were made in such a way as to give adequate representation to different types of localities throughout the country, with some allowance for the rather lower purchasing power in the smaller towns. A number of towns are included in which rural workers make purchases. In the case of certain of the larger towns where there is more than one local office, the particular local offices by which the information is collected are specified; in making the selection of these offices the Committee had in mind the necessity for including suburbs of large towns.

Group II—Rent and Rates

25. When the plans for the interim index were drawn up in 1947, the Technical Committee expressed the view that the best method of collecting information on changes in the average level of rent and rates for a permanent index required careful consideration and experiment. They formed the opinion that the method which had been used for the old "Cost of Living Index" of obtaining information from Local Authorities and Property Owners' Associations was the best available at that moment, and that it might be regarded as reasonably adequate for the interim index so long as rent control lasted, since, under this form of control, changes in working-class rents were largely confined to cases where rates or water charges were altered. The Committee, however, recommended that the scope of the enquiries should be extended to cover all types of unfurnished dwellings let to working-class tenants as at mid-1947, including those owned by Local Authorities. The procedure followed for calculating the rent and rates component of the interim index from mid-1947 up to January, 1952, was in accordance with these recommendations. The localities covered by the enquiries are listed in Appendix X.

26. In 1951, when the Technical Committee reviewed the working of the index over the period since mid-1947, they came to the conclusion that their earlier recommendation to limit the enquiries to dwellings which were actually let in 1947 could no longer be justified. Considerable numbers of new dwellings—principally Local Authority dwellings—had been built and occupied since 1947 and all of these were excluded from the enquiries since they were not in existence when the index started in June, 1947. Owing to the steadily increasing costs of building, the rents being charged for many of these newer buildings were higher than those charged for the older dwellings covered by the index enquiries. Although these higher rents were partly attributable to the fact that the newer dwellings were, in general, larger and better equipped than those built in earlier periods, nevertheless the Committee felt that there was a small but cumulative rise in the average level of payments being made by working-class households for rent which was

not being reflected in the index, and which should be so reflected. Accordingly, they recommended that in future the rent index should take account of the rents charged for all working-class dwellings let unfurnished at the dates to which the enquiries relate, and should not be confined to measuring changes in rents of dwellings which existed when the index started in 1947. This change in procedure was put into operation in 1952. At successive enquiries the numbers of Local Authority dwellings then in existence and let are ascertained, together with particulars of the rents of all these dwellings. These particulars, covering a gradually increasing total of Local Authority dwellings, are then combined with the figures for other types of dwellings to produce an average rent which can be compared with the average rent of dwellings in existence in January, 1952.

Group III—Clothing

27. Information about clothing prices is obtained by correspondence between the Statistics Department of the Ministry of Labour and National Service and a representative selection of nearly 1,000 retailers, including co-operative societies and a number of large multiple undertakings. Enquiries are made monthly in the localities with populations of 5,000 and over covered by the food index. The various items included are broadly defined, but the retailers are asked to select the type predominantly on sale to working-class households, to describe it as fully as possible and to quote prices, so far as possible, for the same type at each successive date. If there is a change in quality they are asked to report the fact and to give such information as may be necessary to assess the real changes in price level, if any, after allowing for the effect of the changes in quality. So far as possible the list of retailers whose prices are used is uniform month by month. At the outset every retailer who was invited to supply information was visited by an officer from the Regional Office of the Ministry of Labour and National Service who explained the nature of the particulars required. Thereafter, as necessary, retailers are visited by an officer attached to the Statistics Department so as to deal with difficulties and in particular to discuss problems arising from changes in quality and the comparability of successive quotations. It is regarded as of the highest importance that, so far as possible, prices relate to goods of unchanged quality, and that, where qualities have changed, suitable allowance is made to compensate for such changes.

Group IV—Fuel and Light

28. The prices of coal and coke are obtained from the Regional Coal Officers of the Ministry of Fuel and Power and those of gas and electricity from supply undertakings. The areas covered in each case are those covered by the food enquiries. For oil and candles the procedure and the localities are the same as for clothing.

Group V—Household Durable Goods

29. The ascertainment of price changes for furniture, floor coverings and domestic appliances presents special difficulties in view of the substantial changes in the types and qualities which occur when new models are introduced. It is regarded as important that good information should be obtained on a limited basis rather than a mass of detail of a less satisfactory nature. Moreover, there is a tendency for the bulk of these articles to be purchased in the larger towns and in many cases they are branded goods which are sold generally at the same price. Enquiries are, therefore, made by an officer of each Regional Office of the Ministry of Labour and National Service of large retail stores in the area in which the Regional office is situated. These officers report the prices of types or brands of articles predominantly on sale, together with such information as may be necessary to take account of changes in quality in assessing price changes. The prices of drapery, soft furnishings, hardware, pottery, etc., are ascertained by the same method as that used for clothing.

Group VI—Miscellaneous Goods

30. Changes in the prices of soap (except toilet soap), soap powder, soapless detergents, soda, polishes, cleaning powders and matches are ascertained by correspondence with retailers as in the case of clothing, hardware, etc. The prices of specified brands of toilet soap are ascertained by the method adopted for manufactured foods. Changes in the prices of proprietary medicines and toilet requisites and of children's toys are ascertained by correspondence with manufacturers or trade associations. The prices of selected newspapers, periodicals and books are ascertained by the Ministry of Labour and National Service from the Newspaper Society and publishers.

Group VII—Services

31. Information about changes in railway fares, other than that available from schedules of charges authorised by the Transport Tribunal, is obtained, as necessary, from the various authorities. As regards omnibus, trolleybus and tramway fares, information relating to the base date was obtained from the undertakings concerned in the areas covered by the food enquiries which had populations of 5,000 and over. Subsequent enquiries are made at intervals, or when it is known that a change in local fares has been arranged. No detailed enquiries are necessary about the cost of motor cycle licences, letter postage, parcel postage, poundage on postal and money orders or wireless licences, particulars of which are publicly available. Prices of cycle and motor cycle tyres are obtained from manufacturers and costs of motor cycle insurance from insurance companies. In present circumstances no difficulty occurs in ascertaining the price of petrol, but when the "pool" system ceases prices will be ascertained by the same process as for

manufactured foods. Information on charges for admission to cinemas and football matches is obtained by local offices in cases where particulars are not readily available centrally. Charges for other services are ascertained by the local officers of the Ministry of Labour and National Service.

32. The prices of beer are obtained from a representative sample of brewers covering about one-third of the total beer production of the United Kingdom, and they relate to the retail prices paid at premises managed by, or leased from, brewery companies, which represent the great majority of licensed houses in the country. The figures cover a very large number of different makes of beer. For draught beer prices, as charged in public bars, are obtained and are grouped in two categories, viz., draught mild and draught bitter. For bottled beer three main types are covered, viz., bottled brown ale, bottled pale ale and bottled stout, and the prices for these cover purchases for home consumption. Prices of whisky per bottle and per single nip, as charged in public bars, are obtained from specified public houses in each of the 200 towns covered by the food enquiries.

Group IX—Tobacco

33. The retail prices of specified brands of cigarettes and pipe tobaccos are ascertained by direct enquiries of manufacturers.

III. CALCULATION AND PRESENTATION OF THE INDEX

Method of calculating the index

34. At each monthly date the price of each item in each town is, where possible, directly compared with the corresponding price at mid-January, 1952, and so expressed as an index, or price relative, taking the price at mid-January, 1952, as 100. This is impracticable, however, particularly over any lengthy period, in the case of some items for which adjustments have to be made for quality change, e.g., clothing. Here use is made of the chain system, whereby indices, or price relatives, with mid-January, 1952, as 100 are calculated by linking together successive price changes. Periodical checks on the validity of the chain system are made with special reference to the accuracy of the intervening allowances (if any) made for changes in quality.

35. The calculation is designed to show first the index, or price relative, for each item for each population group. These indices are then combined into national figures by simple averaging over the population groups. Finally, the national indices for items are combined into indices for sections and groups. The process in detail is as follows :—

(a) For items in respect of which local offices of the Ministry of Labour and National Service collect information, e.g., most of the food items, the index for each item in each town is calculated and the resulting figures combined as an unweighted average for all the towns in each population group.

(b) For items, the prices of which are supplied direct by retailers, e.g., clothing, hardware, etc., the indices of all the quotations for each item received from all the towns in each population group are similarly averaged.

(c) These separate indices for the various population groups are then averaged to give indices for each item for the country as a whole.

(d) The national indices of the items are next combined in order to arrive at indices for each section.

(e) The resulting indices for the various sections are then combined, using the weights shown in Appendix IX in order to arrive at the indices for each of the main expenditure groups I to IX and the final "all items" figure on the basis January, 1952 taken as = 100.

(f) This index is then converted, by the "linking" procedure described in paragraph 17, into an "all items" index on the basis June, 1947, taken as = 100.

Publication

36. The general "all items" index for the month is published to the nearest whole number, but details are also given each month in the Ministry of Labour Gazette for each of the main expenditure groups and for the "all items" figure to one place of decimals. The indices throughout the calculation are computed to the degree of accuracy necessary to produce group indices to one decimal place.

37. As regards changes in prices since January, 1952, the publication of separate indices for each of the nine groups of items makes it possible for indices to be calculated, by the use of the appropriate weights, for any combination of groups, e.g., for groups I, III, IV, V and VI. On each occasion, therefore, on which the index numbers are published in the Ministry of Labour Gazette, the group weights are also given in order that combinations of group indices can be calculated by multiplying the separate indices by the weights and dividing the sum of the resulting products by the sum of the weights used. But, for reasons which were explained in paragraph 18, indices are no longer computed for the separate groups on the basis June, 1947 taken as = 100, and such figures are therefore not published in the Ministry of Labour Gazette.

38. The purpose of the enquiries into prices is to obtain a representative measure of price movements and not a measure of absolute prices at any particular time and average prices do not emerge from the calculation of the index by the method described

in paragraphs 32 and 33. For many of the items the material collected is, in fact, unsuitable to provide a basis for the quotation of an average price. Moreover, in many cases where adjustments are made for changes in quality or in the basis of the quotation, the average prices at different times are not comparable and would not, therefore, show a movement corresponding with that of the index. For these reasons particulars of average prices of all the various items included in the index are not published in the monthly articles in the Ministry of Labour Gazette.

Dates in respect of which the index is calculated

39. The index normally relates to the Tuesday nearest to the 15th of each month, but, when this Tuesday follows on a Bank Holiday, the previous or following Tuesday is substituted, the selection being made in such a way as to preserve an interval of four or five weeks between each figure.

Industrial coverage of the index

40. The budget enquiries of 1937-38 covered manual workers in general and non-manual workers in receipt of remuneration up to £250 a year. The results of that enquiry were published separately in respect of households of industrial and agricultural workers, but only one retail prices index is calculated, covering both classes of workers. The original weights for the index were derived from an amalgamation of the two sets of budgets for industrial and agricultural workers in the proportions of 16 to 1, representing the approximate proportions of the total industrial and agricultural populations. The same general coverage has been maintained in the revised weights. For the purpose of collecting price material the retailers selected are those who fall under the broad description of those catering mainly for working-class households as defined above, and the same broad description is used in cases where it is necessary to select a predominant line of goods.

Clearance sales, discounts, black market, etc.

41. Prices charged for stale, damaged, shop-soiled or otherwise imperfect goods are ignored, but otherwise the index is based on the prices actually charged for the articles in question on a cash sale. "Sale" prices are taken where they apply to the main bulk of the shop's trade in the specified article (but not if they apply only to a few "broken ranges") and "cut" prices are taken rather than "list" prices for shops where they are in fact charged. Extra charges for credit are ignored, and a cash discount is allowed for if it is automatically given to all purchasers, but not otherwise. No allowance is made for co-operative societies' "dividends" on goods sold; these are generally not paid to non-members, and, moreover, the amount of the current dividend is not known at the time of purchase.

42. No special attempt is made to allow for "black market" prices. In so far as any of the selected retailers openly sell goods above the permitted or list prices (whether inadvertently or deliberately) these prices are taken for the index, but it is impracticable to ascertain prices charged for clandestine transactions, even where these are legal. It is considered that the effect of such transactions, when averaged with the open ones, would not be significant.

CHAPTER XIII

WAR-TIME INDUSTRIAL POLICY AND LEGISLATION AND IMMEDIATE POST-WAR DEVELOPMENTS

Price and Wage Stabilisation Measures during the Second World War and immediate post-war period

1. In this Chapter a short factual account is given of the measures taken during the second world war and immediately afterwards by the Governments of the day in the field of price and wage stabilisation. The chapter covers the period from 1939 to the issue of the White Paper on "Personal Incomes, Costs and Prices in February, 1948".

2. At the outbreak of war in 1939 it was necessary for the Government to consider ways and means of avoiding any interruption of war production by stoppages of work due to trade disputes, and also the related question of preventing any inflationary increase in the cost of living which would have a disturbing effect on wage levels and on industrial peace.

3. With regard to wages the Government decided to continue to entrust the responsibility for determining wages to the voluntary industrial joint machinery so as to allow wages and working conditions to be negotiated and settled by means of collective bargaining, save in those industries where machinery for statutory wage fixing had been established. Supplementing the joint machinery was the system of conciliation and voluntary arbitration. The decision to maintain these arrangements was taken in agreement with the National Joint Advisory Council. It was considered desirable to preserve the well-tried machinery in which employers and workers had confidence. Moreover, this machinery was capable of dealing with the changes and adaptations which arise from day to day in workshops and have to be settled in a way which takes account of the complex and diverse circumstances of the various trades. The policy adopted, therefore, was to

continue to leave the various bodies free to reach their decisions in accordance with their estimate of the relevant facts. In this way it was possible to maintain the joint machinery and the responsibility of the voluntary organisations.

4. In entrusting questions concerning wages and conditions of employment to the existing machinery of negotiation in industry the Government made it clear that the employers' organisations and the trade unions were expected to exercise a sense of duty as trustees for the country in the adjustment of wages and conditions and in the prevention of a rise of prices. This formed part of a wider policy of regulating price levels and of bringing about an equitable distribution of the available supplies of consumers' goods which were limited by shipping difficulties and the diversion of man-power, machinery and factory space to the production of war materials. It was necessary to prevent an excess of spendable money from leading to a rise in the prices of necessary goods and for this purpose, in addition to the arrangements for dealing with wage problems under joint negotiating machinery, three main methods were adopted:—

- (1) Additional direct taxes.
- (2) Rationing of food and clothing to conserve supplies and ensure a fair distribution.
- (3) Price control through the exercise of price fixing powers and the grant of subsidies.

In 1941 the policy of price stabilisation was extended with a view to preventing any rise of the cost-of-living index number, apart from minor seasonal changes, beyond the range of 25 to 30 per cent. above the 1939 level.

An explanation of the policy indicated above was contained in a statement presented to Parliament in July, 1941, in the form of a White Paper entitled " Price Stabilisation and Industrial Policy " (Cmd. 6294).

5. The success of the price stabilisation policy is shown by the fact that during the period July, 1941, to May, 1944, the official cost-of-living index remained stable at between 28 and 30 per cent. higher than in September, 1939. A somewhat different picture was presented by the movement of wages in the same period. Wage rates which in July, 1941, were about 21 to 22 per cent. above the level of September, 1939, had risen to 40 per cent. higher by April, 1944. This disparity had its dangers, and the view which was taken by the Government at that time was that the cost-of-living could not be kept down to a rigidly pre-determined level without regard to the current level of costs and prices. The Budget statement of April, 1944, reflected the Government's concern about the inflationary trends which were becoming apparent, and it was indicated then that the Government proposed

to allow the cost-of-living index to rise to a figure 30-35 per cent. above pre-war instead of the 20 to 25 per cent. at which they had maintained it since 1941. At the same time a warning was given of the need for industrialists to keep prices as low as possible.

6. From then until June, 1947, the official cost-of-living index figure did not in fact rise higher than 33.5 per cent. above the pre-war (1st September, 1939) figure (that being in the single month of July, 1945), from which figure it fell to 32.3 per cent. above pre-war in August, 1945, and to 31 per cent. above pre-war the following month. It remained fairly steadily at this level until the basis of calculation was changed in June, 1947. Meanwhile, wage rates rose from 40 per cent. above pre-war in April, 1944, to 51 per cent. above pre-war by August, 1945, and to 63 per cent. above pre-war by July, 1946.

7. The Government was faced with the problem that after the end of the war, exports had to be increased to compensate for losses of former overseas capital assets and for increases in the prices of imported raw materials. Emphasis was therefore placed on the need to increase productivity and to maintain reasonable price levels, with restriction of home consumption (personal incomes) to a reasonable proportion of the total production. This policy was outlined in a White Paper on "Employment Policy" (Cmd. 6527) published in May, 1944, and was linked with the main theme of the paper—the maintenance of a high and stable level of employment and the avoidance of inflation:—

"(49) . . . If we are to operate with success a policy for maintaining a high and stable level of employment, it will be essential that employers and workers should exercise moderation in wages matters so that increased expenditure provided at the onset of a depression may go to increase the volume of employment.

"(50) This does not mean that every wage rate must remain fixed at a particular level. There must always be room for the adjustment of wages and conditions, e.g., on account of changes in the form, method or volume of production. Also there must be opportunity for the removal of anomalies in the rate of remuneration of different grades and categories of workers, both within an industry and between different industries. The principle of stability does mean, however, that increases in the general level of wage rates must be related to increased productivity due to increased efficiency and effort.

"(53) . . . The stability [of wages and prices] is a condition vital to the success of employment policy; and that condition can be realised only by the joint efforts of the Government, employers and organised labour. The Government for their part are prepared to do what they can to stabilise prices so as to avoid or mitigate changes not rendered inevitable by higher

costs either of imports or of production at home. If, however, the cost of living is thus kept stable it must be regarded as the duty of both sides of industry to consider together all possible means of preventing a rise in the costs of production or distribution and so avoiding the rise in prices which is the initial step in the inflationary process."

8. The policy was reaffirmed in a White Paper of January, 1947, on "The Economic Considerations affecting relations between Employers and Workers" (Cmd. 7018):—

"(14) . . . The increase in the volume of our exports to 75 per cent. above the pre-war level means that we must increase substantially our share in the world's export trade. For this we must look to the re-equipment and increased mechanisation of our industries and the fullest co-operation of both sides in maintaining production at the highest pitch of efficiency. If costs of production and in consequence prices rise in relation to world prices, it may make it impossible for us to pay our way in the world and buy all the imports we need."

By the summer of 1947, the pressure of changes in international economic relations, and principally the rise in prices of imported food stuffs and raw materials, had resulted in a critical situation, and the urgency of a policy of wage and price stability became greater.

9. This was recognised by the Government, and in February, 1948, their policy was set out in detail in a White Paper on "Personal Incomes, Costs and Prices" (Cmd. 7321). The paper drew attention to a number of relevant considerations as follows:—

"7(a) It is not desirable for the Government to interfere directly with the income of individuals otherwise than by taxation. To go further would mean that the Government would be forced itself to assess and regulate all personal incomes according to some scale which would have to be determined. This would be an incursion by the Government into what has hitherto been regarded as a field of free contract between individuals and organisations.

(b) In the view of the Government it is essential that there should be the strictest adherence to the terms of collective agreements. One of the main advantages of a system of collective bargaining is that it tends to ensure that wage and salary movements take place in an orderly manner and with due regard to the general as distinct from the individual interest. Departure from the agreed conditions by individual employers, whether public authorities or private concerns, will inevitably constitute a grave danger to the stability of the system of collective bargaining, and may well lead to competitive bargaining, and this to general but unjustifiable increases in wages and salaries and to serious inflation . . .

(c) In present conditions, and until more goods and services are available for the home market, there is no justification for any *general* increase of individual money incomes. Such an increase will merely raise costs of production, without making more goods available, and so can only have an inflationary effect . . .

(d) It does not follow that it would be right to stabilise all incomes as they stand today. There may well be cases in which increases in wages or salaries would be justified from a national point of view, for example where it is essential in the national interest to man up a particular undermanned industry and it is clear that only an increase in wages will attract the necessary labour. It does, however, follow that each claim for an increase in wages or salaries must be considered on its national merits and not on the basis of maintaining a former relativity between different occupations and industries.

“(8) It will be observed from these principles that there is no justification at the present time for any rise in incomes from profits, rent or other like sources and that rises in wages or salaries should only be asked for and agreed upon in the exceptional cases mentioned above. On the other hand, if at some future time there should be a marked rise in the cost-of-living the level of those personal incomes which as a result became inadequate would need reconsideration.

“(9) In order to avoid the undesirable necessity for any interference with the existing methods of free negotiation and contract the Government must press upon all those engaged in negotiations or decisions which might result in an increase in wages or other personal incomes to keep these principles firmly before them, and not to depart from them. The Government will themselves observe these principles in any negotiations in which they are directly concerned.

“(10) In these circumstances the Government have decided and wish it to be clearly understood that, if, notwithstanding these considerations, remuneration is increased in any class of employment, whether in private industry or under a public authority, there can be no presumption, whatever may have been the practice in the past, that the resulting costs will be taken into account in settling controlled prices, charges or margins or other financial matters requiring Government action.”

10. The White Paper on Personal Incomes, Costs and Prices marks a definite stage in the policy of price and wage stabilisation pursued during and after the war. The development of the situation after 1948 lies outside the scope of this Chapter but it may be noted that for some eighteen months after the publication of the White Paper the policies set out in it were generally accepted and applied.

CHAPTER XIV

THE INTERNATIONAL LABOUR ORGANISATION

1. The International Labour Organisation is an association of States, controlled by representatives of Governments and of Employers' and Workers' Organisations, and financed by Governments. It was set up in 1919 under Part XIII of the Treaty of Versailles. At present there are 66 Members.

2. The aims of the International Labour Organisation are set out in the Preamble to its Constitution and are stated at length in a Declaration concerning the aims and purposes of the Organisation adopted at Philadelphia in May, 1944, the text of which is annexed to, and forms part of, the Constitution. The fundamental aim of the International Labour Organisation is the promotion of social justice throughout the world by the establishment of humane conditions of labour. To this end, it collects facts about labour and industrial conditions, formulates minimum international standards and renders technical assistance to Governments. It aims at eliminating international trade rivalries due to bad social conditions, and thus at making social progress more general and more sure.

3. The machinery of the Organisation consists of the International Labour Conference, the Governing Body of the International Labour Office and the International Labour Office.

The International Labour Conference

4. Each State Member of the Organisation is entitled to be represented by four delegates at the International Labour Conference, which meets at least once a year. Two of the delegates represent the Government, while the other two represent respectively employers and workers. The Constitution provides that each delegate may be accompanied by not more than two technical advisers for each item on the agenda of the Conference. Non-Government delegates and advisers must be chosen by the Government in agreement with the most representative organisations of employers or workers, where such exist, in the country concerned. The agenda of the Conference is determined by the Governing Body (see also paragraph 11).

5. Proposals accepted by the Conference may take the form of Conventions, Recommendations or Resolutions. Conventions and Recommendations must be adopted by a majority of two-thirds of the votes cast by the delegates present. Conventions must be submitted by the Government of each State Member within a year (or eighteen months in exceptional cases) to the competent authority—usually the Parliament—of the State for consideration

with a view to adopting any necessary legislation or taking any other appropriate action. If the competent authority consents to the ratification of the Convention, the State Member deposits an instrument of ratification with the Director-General of the International Labour Office. Conventions become binding on the States which ratify them. A State which has ratified a Convention is under an obligation to see that its own law and practice are in accordance with it and must report every year on the steps taken to give effect to it. Such reports are scrutinised by an International Committee of Experts and by a Committee of the Conference.

6. Recommendations, like Conventions, must be submitted to the competent authority with a view to the enactment of legislation or other action to implement their provisions. Ratification is not appropriate in the case of a Recommendation.

7. The Conference may adopt resolutions by a simple majority vote of the delegates present. Such resolutions constitute expressions of the collective opinion of the Conference, but involve no binding obligations on the States Members.

8. The Conference adopts the annual expenditure budget of the organisation and determines the contributions to be made by the States Members towards the expenses of the organisation.

9. At the Conference it has also become customary for a general discussion to take place on a report submitted by the Director-General surveying labour and industrial progress throughout the world in the course of the preceding twelve months. The Conference thus constitutes an international forum for the free and responsible discussion of the principal labour and industrial questions of the day.

10. Maritime questions are usually discussed by special Maritime Sessions of the Conference at which shipowners and seamen are represented, together with Government representatives. Items are placed by the Governing Body on the agenda of such Maritime Sessions of the Conference only after the advice of the Joint Maritime Commission has been taken. The Joint Maritime Commission is a standing international commission set up by the Governing Body, consisting of equal numbers of representatives of shipowners and seamen together with one representative of the Employers' Group and one representative of the Workers' Group of the Governing Body; the Chairman is the Chairman of the Governing Body. The last Maritime Session of the Conference was held at Seattle in June, 1946, although certain Maritime Conventions were revised at the annual general Session of the Conference in 1949.

The Governing Body of the International Labour Office

11. The Governing Body fixes the Agenda of the Conference, makes recommendations to the Conference concerning the expendi-

ture budget of the Organisation, and the contributions to be made by the States Members towards the expenses of the organisation, appoints the Director-General of the International Labour Office and exercises general supervision over the work of the office. It meets three or four times a year. The Governing Body's term of office is three years and it is composed of 32 titular members, as follows :—

16 Government Members (8 of whom are appointed by Governments of the States Members of chief industrial importance* and 8 by the 8 Governments elected at the triennial Governing Body elections by the Government delegates at the Conference. (The delegates of the 8 States Members of chief industrial importance do not have a vote in the elections) ;

8 Employers' Members elected at the triennial elections by the Group of Employers' Delegates at the Conference ;

8 Workers' Members elected at the triennial elections by the Group of Workers' Delegates at the Conference.

In addition to the titular members, there are eight Government deputy members who act collectively as deputies for the eight titular representatives of elected States. These deputies are appointed by the eight Governments elected for the purpose at the triennial elections. There are also eight Employers' and eight Workers' Deputy Members elected by the Employers' and Workers' Groups at the Conference. Deputy Members of the Governing Body have the right to attend sessions and to speak but may only vote in the absence of a regular member or his substitute.

Regional Conferences

12. In addition to the annual sessions of the General Conference of the organisation, a number of Regional Conferences have been held under the auspices of the International Labour Organisation. These are meetings of Member States of a particular region of the world with the object of examining problems of common interest in greater detail than is possible at a full General Conference. Such conferences are not able to adopt International Labour Conventions, but they may pass resolutions advocating action on the part of Governments concerned or by the Organisation. The resolutions are considered by the Governing Body which decides what action is to be taken on them. Five American Regional Conferences have so far taken place, the most recent one having been held at Petropolis, Brazil in April, 1952. Following a Preparatory Asian Regional Conference at New Delhi in October-November, 1947, the first full Asian Regional Conference was held at Nuwara Eliya in Ceylon in January, 1950. There was a Regional Meeting for the Near and Middle East at Istanbul in November, 1947.

*The 8 States of chief industrial importance at present are :—Brazil, Canada, China, France, India, Italy, United Kingdom, United States.

International Committees

13. The Governing Body has set up a number of Committees to assist in the work of the organisation. Some of these Committees are on a tripartite basis, others consist of employers' and workers' representatives only. Others again are composed of experts drawn from Government Departments, employers' and workers' organisations or other sources. Reference has already been made to the Joint Maritime Commission (see paragraph 10). Other Committees include the following :—

The Permanent Agricultural Committee; the Committee of Experts on Social Policy in Non-Metropolitan territories; the Committee of Experts on Indigenous Labour; the Committee on Occupational Safety and Health; the Committee of Social Security Experts; the Advisory Committee on Recreation; the Committee on Women's Work; the Committee on Juvenile Employment; the Advisory Committee on Co-operation; the Permanent Migration Committee; the Committee of Experts on the Application of Conventions and Recommendations (see paragraph 5); the Committee of Statistical Experts; and the Committee of Experts on Safety in Coal Mines. There are also two joint I.L.O./W.H.O. Committees; one on Industrial Hygiene was set up in 1946 and the second on Hygiene of Seafarers in 1949.

14. Following a suggestion made at the end of the war by the late Mr. Ernest Bevin, a number of Industrial Committees have been established to consider economic and social conditions in certain industries of international importance. Their object is to make it possible for the special problems and conditions in the industries concerned to be discussed at the international level with a view to the adoption of conclusions which will give concrete assistance to those concerned with the finding of solutions at the national level. Committees have so far been set up for eight industries, viz.: inland transport, textiles, coal mining, iron and steel production, the metal trades, petroleum production and refining, building civil engineering and public works and the chemical industries. The Committees are tripartite in character. A Committee on Work on Plantations and a Committee on Salaried Employees and Professional Workers operate on the same basis as the Industrial Committees.

Other Conferences

15. In addition to the meetings of permanent committees, the organisation holds many *ad hoc* conferences and meetings to consider specific subjects of current interest. The following selected examples of meetings held in recent years show the range and importance of the subjects covered :—

Tripartite Conference on Safety in Factories (September, 1948); Conference of European Exports on Employment Service Organisation (December, 1948); Technical Conference on Safety in Coal

Mines (September, 1949) ; Conference of Experts on Pneumoconiosis (December, 1950) ; Preliminary Conference on Migration (April-May, 1950) ; Conference of Experts on Systems of Payment by Results (April, 1951) ; Conference of Experts on the Status and Conditions of Employment of Domestic Workers (July, 1951) ; and a second Conference on Migration (October, 1951) ; Conferences of Experts on techniques for the suppression and prevention of dust in mining, tunnelling and quarrying and on productivity were held in December, 1952.

16. The conclusions of all Committees and *ad hoc* meetings and conferences are submitted to the Governing Body which generally authorises the Office to communicate them to Governments ; the Governing Body also authorises the Office to take such other action as may be necessary, e.g., studies by the Office or the preparation of questions for consideration by the International Labour Conference or other appropriate bodies operating under the auspices of the organisation. The principal conclusions reached by Committees from 1919-1951 have been brought together and included by the International Labour Office in Volume II (Appendices) of the International Labour Code. A Model Code of Safety Regulations for Industrial Establishments for the Guidance of Governments and Industry, which is based on a draft prepared by experts over a period of some years and which was approved by the tripartite technical conference mentioned above, was published by the International Labour Office in 1949, together with a Report on Law and Practice relating to Safety in Factories. A Model Code of Safety Regulations for Underground Work in Coal Mines was also published in 1949.

17. In the work of the various Committees and Conferences, an active part has been taken by British Members. The presence of British Government officials, Employers' and Workers' representatives and other experts at these international discussions has helped to widen the contacts of the International Labour Office and to increase their knowledge of conditions.

Freedom of Association

18. An important development in the work of the Organisation was the establishment in consultation with the United Nations of a Fact Finding and Conciliation Commission on Freedom of Association. The Commission was set up as a result of a decision taken by the Governing Body in January, 1950. The Commission's terms of reference are to examine impartially any allegations of infringement of trade union rights which the Governing Body or the Conference considers it appropriate to refer to the Commission for investigation. The Commission is essentially a fact finding body but it is authorised to discuss complaints referred to it for investigation with the Government concerned with a view to securing the adjustment of difficulties by agreement. A complaint

can only be referred to the Commission with the consent of the Government against which the allegations are made. The services of the Commission are also available to the United Nations under arrangements agreed between the International Labour Organisation and the United Nations.

International Labour Office

19. The headquarters staff of the I.L.O. are stationed in Geneva. A Liaison Office is maintained at the headquarters of the United Nations, Branch Offices are maintained at Washington, London, Montreal, Paris, Rome and New Delhi. In addition, there are a number of accredited correspondents in other countries.

20. The International Labour Office prepares the agenda of meetings of the Governing Body and the Conference and takes appropriate action in furtherance of their decisions. It collects information and conducts research in the whole field of labour, industrial and economic problems coming within the scope of the International Labour Organisation. The information is available to Governments, to employers' and workers' organisations and to other interested bodies and individuals. The office issue a series of periodicals and other publications. Finally, the Office is the channel whereby the Organisation makes available advice and technical assistance for its meetings.

Achievements

21. The work accomplished by the International Labour Organisation since its foundation falls into three main parts :—

- (1) the adoption of Conventions and Recommendations and the effect given to them by national legislation and other action :
- (2) The collection and distribution of information ;
- (3) operational activities.

Conventions and Recommendations

22. At the thirty-five sessions of the International Labour Conference held between 1919 and 1952, 103 Conventions and 95 Recommendations were adopted. These relate to such matters as employment and unemployment, hours of work, holidays with pay, the employment of women, the employment of children and young persons, industrial health, safety and welfare, social insurance, social policy in non-metropolitan territories, conditions of employment at sea, migration questions, labour inspection and statistics. A list indicating the main principles embodied in each of the Conventions is given in Appendix XI. The provisions adopted up to June, 1951 have been published in systematic and convenient form in Volume I of the International Labour Code (see also paragraph 16).

23. Of particular importance from the industrial relations viewpoint are two Conventions which the International Labour Confer-

ence has recently adopted on freedom of association and protection of the right to organise. In 1948, a Convention was adopted setting out the fundamental principles on which freedom of association must rest. In 1949, this Convention was supplemented by the adoption of a Convention providing protection for workers against acts of anti-union discrimination and providing other guarantees to protect the right to organise into trades unions and employers organisations. There are, in addition, provisions for encouraging and promoting the full development and utilisation of machinery for voluntary negotiation.

24. The total number of ratifications of International Labour Conventions is now over 1,300. Some 56 countries have ratified one or more Conventions.

Collection and Distribution of Information

25. Importance has always been attached by the International Labour Office to the collection and distribution of accurate and impartial information on labour and industrial matters. It obtains information not only from the Governments of States Members and from employers' and workers' organisations of these countries but also through the network of its own Branch offices and national correspondents in a large number of countries. The information received is analysed and classified and is available either for use in replying to enquiries or for issue in the various publications of the Office. These publications include a monthly "International Labour Review," and a separate fortnightly publication "Industry and Labour," an "Official Bulletin" appearing at irregular intervals, a "Legislative Series" containing reprints and translations of the principal Acts and regulations of all countries concerning labour, a "Year Book of Labour Statistics" and also other publications in the field of industrial hygiene, industrial safety, etc. Special studies and monographs are also published in a series of "Studies and Reports."

Operational Activities

26. Where required, the I.L.O. gives practical assistance to States Members in connection with the improvement of the conditions of life and labour in their countries. These activities have been developing continuously since the end of the world war in 1945 and the I.L.O. is a participating agency in the Expanded Technical Assistance programme of the United Nations which has been set up to aid in the economic development of the under-developed countries. The I.L.O. makes assistance available to Member States in such fields as employment service and manpower organisation, vocational and technical training, migration, industrial relations, industrial safety and health and social security. Various methods of giving technical assistance are employed. These include advisory missions to the countries where the assistance is required, periods of instruction or study abroad for suit-

able candidates from the countries requiring assistance, training of staff, arrangement of special conferences of experts, and the provision of instructional material including special publications designed specifically for use in under-developed countries. The Organisation has established operational Field Offices in Italy, India, Brazil and Turkey. In addition to facilities for study abroad provided under the Expanded Technical Assistance Programme, the I.L.O. also has a regular fellowship programme financed from its normal budget. This commenced in 1950 when 15 fellowships were provided for. The number was increased to 27 for 1951.

Relationship with British Employers and Workers

27. Throughout the history of the International Labour Organisation, British employers and workers have maintained an active and constructive interest in the work of the Organisation. The British employers' and workers' delegates and advisers to the International Labour Conference, nominated by the Government in agreement with the British Employers' Confederation and the Trades Union Congress respectively, have taken a prominent part in the work of all sessions of the International Labour Conference. The Employers' and Workers' Groups on the Governing Body have always included a British Employers' representative and a British Workers' representative. The present British representatives of employers and workers respectively are Sir Richard Snedden, C.B.E., and Mr. Alfred Roberts, C.B.E.

28. British employers and workers with their long experience of collective negotiation have been able to play a very important part in bringing to a successful conclusion the discussion of difficult problems in the International Labour Conference, on the Governing Body and on Committees.

Relationship with the United Nations

29. The United Nations Charter adopted at the San Francisco Conference, 1945, provided for the establishment of relations between the United Nations and the other existing inter-governmental organisations with responsibilities in specific fields. At the 27th Session of the International Labour Conference in Paris, 1945, amendments to the Constitution of the I.L.O. were adopted by the Conference making the Organisation independent of the League of Nations, and making it constitutionally possible for the Organisation to be brought into relationship with the United Nations. An agreement establishing such relationship was signed in New York in 1946 between the I.L.O. and the United Nations wherein the I.L.O. is recognised as a specialised agency responsible for taking such action as may be appropriate under its basic instrument for the accomplishment of the purposes set out therein. The agreement was subsequently approved by the International Labour Conference (Montreal, 1946) and by the General Assembly of the

United Nations (New York, 1946) and entered into force on 14th December, 1946. The agreement provides for reciprocal representation at each other's meetings and for consultation and co-operation between them in the interests of efficiency and economy. In pursuance of this agreement the International Labour Organisation has already had referred to it by the Economic and Social Council of the United Nations a number of questions affecting labour and industrial conditions. These include freedom of association (see paragraph 23 above) and equal remuneration for men and women workers for work of equal value on which the 1951 session of the Conference adopted a Convention and a supplementary Recommendation.

CHAPTER XV

BIBLIOGRAPHY

LEGISLATION WHICH AFFECTS INDUSTRIAL RELATIONS DIRECTLY OR INDIRECTLY

I. STATUTES

Trade Union Statutes

Trade Union Act, 1871
Conspiracy and Protection of Property Act, 1875
Employers and Workmen Act, 1875
Trade Union Act Amendment Act, 1876
Trade Disputes Act, 1906
Trade Union Act, 1913
Trade Union (Amalgamation) Act, 1917
Societies (Miscellaneous Provisions) Act, 1940
Trade Disputes and Trade Unions Act, 1946

Wage Regulating Statutes

Cotton Manufacturing Industry (Temporary Provisions) Act,
1934
Catering Wages Act, 1943
The Wages Councils Acts, 1945-1948
The Agricultural Wages Act, 1948
The Agricultural Wages (Scotland) Act, 1949

Conciliation and Arbitration Statutes

Conciliation Act, 1896
Industrial Courts Act, 1919

**Statutes containing the Fair Wages Resolution or other provision
for settling terms and conditions of employment**

Road Traffic Act, 1930
Road and Rail Traffic Act, 1933
The Housing Act, 1935
The Housing (Scotland) Act, 1935
The Sugar Industry (Re-organisation) Act, 1936
The Bacon Industry Act, 1938
Road Haulage Wages Act, 1938
Holidays with Pay Act, 1938
The Cinematograph Films Acts, 1938-1948
The War Damage Act, 1941
The Restoration of Pre-War Trade Practices Acts, 1942 and 1950
The Coal Industry Nationalisation Act, 1946
The Transport Act, 1947
The Electricity Act, 1947
The Gas Act, 1948
The Iron and Steel Act, 1949
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1903-1905. (Cd. 2825)
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 Royal Commission on Equal Pay 1945-46 (Cmd. 6937).
 Cotton Spinning Industry. Reports with two supplements of a Commission set up to review the wages arrangements and methods of organisation of work and to make recommendations, 1945 and 1946
 Report of a Committee on Double Day-Shift Working, 1947. (Cmd. 7147)
 Annual Reports of the Electricity Sub-Committee of the Joint Consultative Committee. (1st Report 1947).
 Cotton Manufacturing Commission. Interim and Final Reports of an Inquiry into wages arrangements and methods of organisation of work in the Cotton Manufacturing Industry, 1948 and 1949
 Report of a Committee on Night Baking, 1951. (Cmd. 8378)
 Courts of Inquiry under the Industrial Courts Act, 1919

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Establishment and Progress of Joint Industrial Councils, 1917-1922
 Reports on Conciliation and Arbitration, 1919-1920
 Profit Sharing and Labour Co-partnership in the United Kingdom, 1920 (Cmd. 544).
 Enquiry in Apprenticeship and Training for Skilled Occupations, 1925-1926
 Wages, Hours and Conditions in the Retail Distributive Trades ; Report of the Retail Distributive Trades Conference (England and Wales), 1939
 Collective Agreements between Employers and Workpeople in Certain Industries, Vol. 1, 1934
 Holidays with Pay—Collective Agreements between Organisations of Employers and Workpeople, 1939
 Abstracts of Labour Statistics. (Latest Report published in 1937)
 Cost of Living Advisory Committee: Interim Reports, 1947 (Cmd. 7077) and 1951 (Cmd. 8328); Report on the Working of the Interim Index of Retail Prices, 1952 (Cmd. 8481)
 Report of Conference on Joint Consultation; Training within Industry; Works Information and Personnel Management, 1948
 Directory of Employers' Associations; Trade Unions, Joint Organisations, etc., 1948
 Time Rates of Wages and Hours of Labour. Annual Reports
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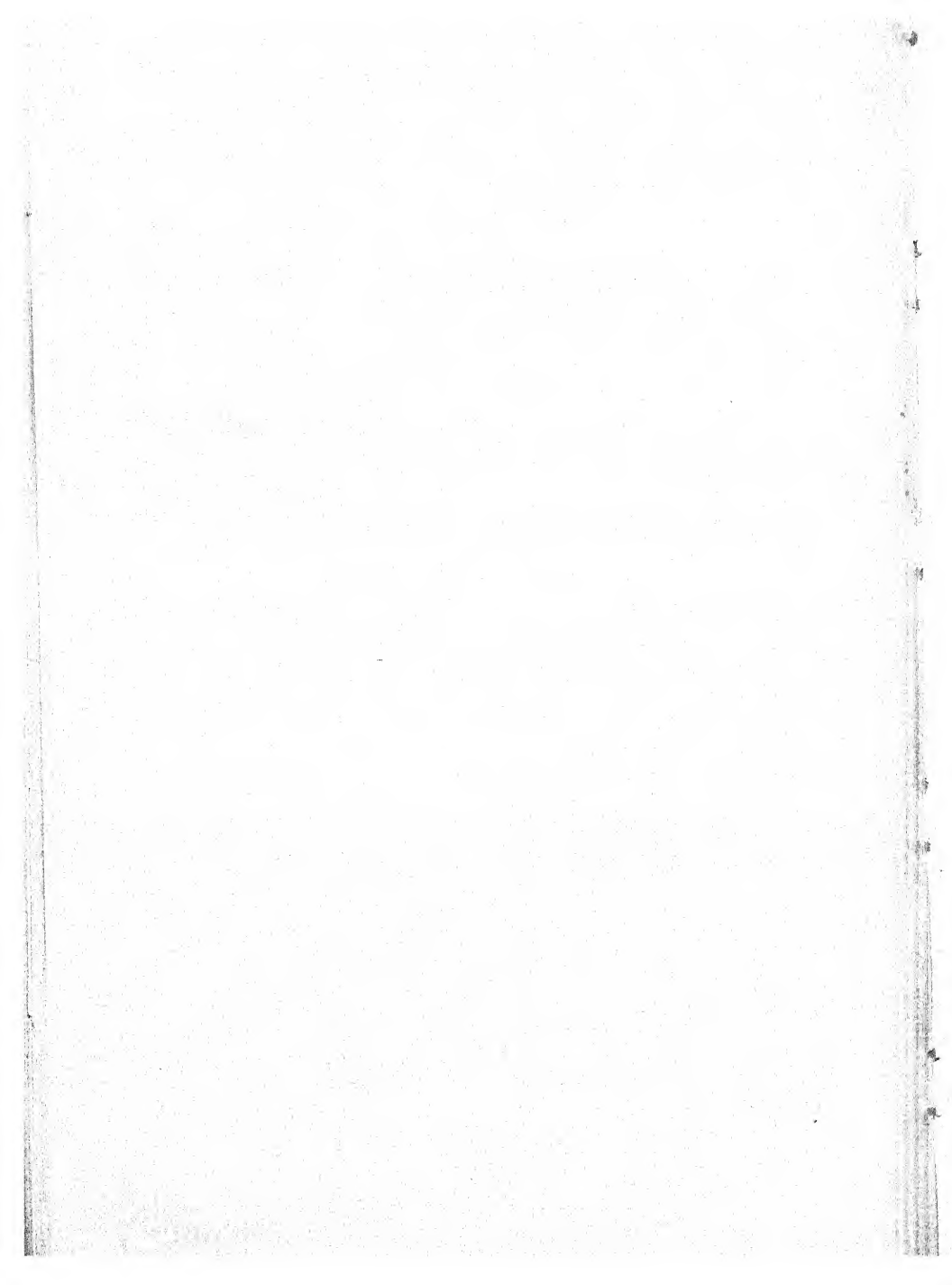
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Fair Wages Resolution, 1942 (Cmd. 6399)
Employment Policy, 1944 (Cmd. 6527)
Statement on the Economic Considerations affecting relations
between Employers and Workers, 1947 (Cmd. 7018)
Statement on Personal Incomes, Costs and Prices, 1948 (Cmd.
7321)

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International Labour Review (monthly)
Industry and Labour (fortnightly)
Occupational Safety and Health (every two months)
Year Book of Labour Statistics
Reports of the I.L.O. to the United Nations (yearly)
Technical Bulletin "Migration" (monthly)
Official Bulletin (irregular intervals)
Minutes of the Governing Body of the I.L.O. (irregular intervals)
Documents of the International Labour Conference
Documents of Special, Technical and Regional Conferences
Documents of the Industrial Committees
The International Labour Code
Model Code of Safety Regulations for Industrial Establishments
for the guidance of Governments and Industry
Model Code of Safety Regulations for Underground Work in
Coal Mines for the guidance of Governments and the Coal
Mining Industry
Bibliography of Occupational Medicine (quarterly)
Studies and Reports on a variety of subjects, e.g.,
The War and Women's Employment
Public Investment and Full Employment
Nutrition in Industry
Statistical Reports
Studies on Freedom of Association ; Industrial Relations ;
Conciliation and Arbitration in Industrial Disputes ;
Collective Agreements ; Labour Courts ; Joint Production
Committees in Great Britain ; British Joint Production
Machinery and other Studies covering Economic Conditions,
Employment and Unemployment, Wages and Hours of
Work, the Disabled, Industrial Hygiene, Safety, Housing
and Welfare, Co-operation, Employment of Women and
Children, Education, Agriculture, Professional Workers,
Social Insurance, Migration, and Seamen.
Monographs on such subjects as :—
Vocational Training in various countries
Systems of Social Security
National Employment Services



APPENDICES

APPENDIX I

MODEL CONSTITUTION AND FUNCTIONS OF A JOINT INDUSTRIAL COUNCIL

(A) FUNCTIONS OF A JOINT INDUSTRIAL COUNCIL

1. To secure the largest possible measure of joint action between employers and workpeople for the development of the industry as a part of national life and for the improvement of the conditions of all engaged in that industry.

It will be open to the Council to take any action that falls within the scope of this general definition. Among its more specific objects will be the following :

NOTE.—*No hard and fast policy is suggested as to what should constitute the functions of an Industrial Council. This is a question which the employers and workpeople in each industry must settle for themselves.*

2. Regular consideration of wages, hours and working conditions in the industry as a whole.

3. The consideration of measures for regularising production and employment.

4. The consideration of the existing machinery for the settlement of differences between different parties and sections in the industry, and the establishment of machinery for this purpose where it does not already exist, with the object of securing the speedy settlement of difficulties.

5. The collection of statistics and information on matters appertaining to the industry.

6. The encouragement of the study of processes and design and of research, with a view to perfecting the products of the industry.

7. The provision of facilities for the full consideration and utilisation of inventions and any improvement in machinery or method, and for the adequate safeguarding of the rights of the designers of such improvements, and to secure that such improvement in method or invention shall give to each party an equitable share of the benefits financially or otherwise arising therefrom.

8. Inquiries into special problems of the industry, including the comparative study of the organisation and methods of the industry in this and other countries, and where desirable the publication of reports.

9. The improvement of the health conditions obtaining in the industry, and the provision of special treatment where necessary for workers in the industry.

10. The supervision of entry into and training for the industry, and co-operation with the educational authorities in arranging education in all its branches for the industry.

11. The issue to the Press of authoritative statements upon matters affecting the industry of general interest to the community.

12. Representation of the needs and opinions of the industry to the Government, Government Departments and other authorities.

13. The consideration of any other matters that may be referred to it by the Government or any Government Department.

14. The consideration of the proposals for District Councils and Works Committees put forward in the Whitley Report, having regard in each case to any such organisations as may already be in existence.

APPENDIX I—continued

NOTE.—The following have also been included among the functions in some of the provisional constitutions which have been brought to the notice of the Ministry of Labour and National Insurance:—

- (i) The consideration of measures for securing the inclusion of all employers and workpeople in their respective associations.
- (ii) The arrangement of lectures and the holding of conferences on subjects of general interest to the industry.
- (iii) Co-operation with the Joint Industrial Councils for other industries to deal with problems of common interest.

(B) THE CONSTITUTION OF A JOINT INDUSTRIAL COUNCIL

1. Membership

The Council shall consist of _____ members, appointed as to one half by Associations of Employers and as to the other half by Trade Unions.

Associations of Employers.

No. of Representatives.

(1)

(2)

(3)

&c.

Total

Trade Unions.

(1)

(2)

(3)

&c.

Total

2. Reappointment

The representatives of the said Associations and Unions shall retire annually, and shall be eligible for reappointment by their respective Associations and Unions. Casual vacancies should be filled by the Association concerned, which shall appoint a member to sit until the end of the current year.

3. Committees

The Council may delegate special powers to any Committee it appoints.

The Council shall appoint an Executive Committee and may appoint such other Standing or Sectional Committee as may be necessary. It shall also have the power to appoint other Committees for special purposes. The Reports of all Committees shall be submitted to the Council for confirmation, except where special powers have been delegated to a Committee.

4. Co-opted Members

The Council shall have the power of appointing on Committees or allowing Committees to co-opt such persons of special knowledge not being members of the Council as may serve the special purposes of the Council, provided that so far as the Executive Committee is concerned—

(a) the two sides of the Council shall be equally represented, and

(b) any appointed or co-opted members shall serve only in a consultative capacity.

N.B.—It is desirable to take power to appoint representatives of scientific, technical and commercial Associations upon Committees and Sub-Committees of the Council, and the above clause would give this power.

5. Officers.

The officers shall consist of a Chairman or Chairmen, a Vice-Chairman, a Treasurer and a Secretary or Secretaries.

(1) *The Chairmen.*

N.B.—The Whitley Report suggests that the appointment of a Chairman or Chairmen should be left to the Council, who may decide that there should be—

(i) a Chairman for each side of the Council,

(ii) a Chairman and Vice-Chairman selected from the members of the Council (one from each side of the Council),

(iii) a Chairman chosen by the Council from independent persons outside the industry, or

(iv) a Chairman nominated by such persons or authority as the Council may determine, or failing agreement, by the Government.

(2) *Secretary.*

The Council shall be empowered to maintain a Secretary or Secretaries and such clerical staff as it may think fit.

All honorary officers shall be elected by the Council for a term of one year.

6. Meetings of the Council

The ordinary meetings of the Council shall be held as often as necessary and not less than once a quarter. The meeting in the month of shall be the annual meeting. A special meeting of the Council shall be called within days of the receipt of a requisition from any of the constituent Associations or from the Executive Committee. The matters to be discussed at such meetings shall be stated upon the notice summoning the meeting.

7. Voting.

The voting both in Council and in Committees shall be by show of hands or otherwise as the Council may determine. No resolution shall be regarded as carried unless it has been approved by a majority of the members present on each side of the Council.

8. Quorum

The quorum shall be members on each side of the Council.

9. Finance

The expenses of the Council shall be met by the Associations and Trade Unions represented.

APPENDIX II

THE INDUSTRIAL COURTS ACT, 1919

INDUSTRIAL COURT (PROCEDURE) RULES, 1920

DATED FIFTEENTH DAY OF MARCH, 1920. MADE BY THE MINISTER OF LABOUR BY VIRTUE OF POWERS VESTED IN HIM BY THE INDUSTRIAL COURTS ACT, 1919, AND OF ALL OTHER POWERS ENABLING HIM IN THAT BEHALF.

1. In these Rules :—

the expression "Act" means the Industrial Courts Act 1919; and
the expression "Minister" means the Minister of Labour; and the
expression "Court" means the Industrial Court established by the
Act and includes, unless the contrary intention appears, any division
thereof and any single member of the Court to whom a matter may
be referred for determination, and the expression "President" means
the President of the Industrial Court; and the expression "Division"
means any group of members of the Court constituted as the President
may direct to hear and determine any matter referred to the Court.

APPENDIX II—*continued*

2. The Court may sit in two or more divisions.
3. Any matter referred to the Court for settlement may at the discretion of the President be heard and determined by a single member of the Court.
4. The Court may, at the discretion of the President, in any matter in which it appears expedient to do so call in the aid of one or more assessors and may settle the matter wholly or partially with the assistance of such assessor or assessors.
5. The Court may with the consent of the parties act notwithstanding any vacancy in their number and no act, proceeding, or determination of the Court shall be called in question or invalidated by reason of any such vacancy, provided such consent has first been obtained.
6. The Court may correct in any award any clerical mistake or error arising from an accidental slip or omission.
7. If any question arises as to the interpretation of any award of the Court the Minister or any party to the award may apply for a decision on such question and the Court shall decide the matter after hearing the parties, or without such hearing, provided the consent of the parties has first been obtained. The decision of the Court shall be notified to the parties and shall be final in the same manner as the decision in an original award.
8. Persons may appear by counsel or solicitor on proceedings before the Court with the permission of the Court.
9. Subject to these rules the Court may regulate their own procedure as they think fit.
10. These Rules may be cited as the Industrial Court (Procedure) Rules, 1920.

GIVEN UNDER THE OFFICIAL SEAL OF THE MINISTER OF LABOUR THIS
FIFTEENTH DAY OF MARCH, ONE THOUSAND NINE HUNDRED AND
TWENTY.

SEAL.

(Signed) D. J. SHACKLETON,
Secretary.

APPENDIX III
COURTS OF INQUIRY SET UP UNDER INDUSTRIAL COURTS ACT,
1919

<i>Subject of Inquiry</i>	<i>Date of Report</i>
Transport Workers—Wages and conditions of employment of Dock Labourers.	30. 3. 1920
Coal Tippers and Trimmers—Hours of Labour.	4. 6. 1920
Electrical Trades Dispute, Penistone. Position of foremen as regards trade union membership.	17. 9. 1920 (Cmd. 990)
Dispute in the Tramway Industry—Increase of wages to all Tramway employees.	25. 2. 1921
Dispute in the Engineering Trades—Overtime provisions and Managerial functions.	10. 5. 1922 (Cmd. 1653)
Hours of Labour—Coal Tippers and Trimmers in South Wales.	— 6. 1923 (Cmd. 1948)
Dock Labour Dispute—Minimum daily rate of wages and a guaranteed week.	21. 2. 1924 (Cmd. 2056)

<i>Subject of Inquiry</i>	<i>Date of Report</i>
Stoppage of the London Tramway and Omnibus Services—Wage increase for tramway-men.	Interim 24. 3. 1924 (Cmd. 2087) Final 3. 4. 1924 (Cmd. 2101) 15. 4. 1924 (Cmd. 2113)
Railway Shopmen—Great Northern Section of L.N.E. Railway—Rates of pay and conditions of service.	
Wages position in the Coal Mining Industry.	8. 5. 1924 (Cmd. 2129)
Threatened stoppage of work at the Coal exporting ports of Great Britain—Continued employment of coal trimmers taken on during a strike.	26. 5. 1924 (Cmd. 2149)
Dispute in the Building Industry—Rates of wages and conditions of employment.	15. 7. 1924 (Cmd. 2192)
Dispute at Covent Garden and the threatened stoppage of work at the ports and elsewhere arising therefrom—Revised rates and conditions for Porters.	11. 9. 1924 (Cmd. 2244)
Steel Houses—Threatened disputes in connection with erection.	23. 4. 1925 (Cmd. 2392)
Coal Mining Industry Dispute—Rates of wages and conditions of employment.	28. 7. 1925 (Cmd. 2478)
Railway Shopmen, Great Central Section of the L.N.E. Railway—Implementation of Industrial Court Award, No. 728 concerning rates of pay and conditions of service.	8. 2. 1926 (Cmd. 2583)
Wages in the Northern Counties Wool Textile Industry.	28. 2. 1930 (Cmd. 3505)
Hull Fishing Industry—Terms and conditions of employment of certain classes of fishermen.	28. 5. 1935 (Cmd. 4917)
London Central Omnibus Services—Hours of work, and working conditions of drivers and conductors.	Interim 6. 5. 1937 (Cmd. 5454) Final 21. 5. 1937 (Cmd. 5464)
Disputes between plasterers and joiners in Scotland. Fixation of certain patent boards.	25. 8. 1937 (Cmd. 5554)
Dispute between the Iron and Steel Makers on the N.E. Coast and the N.E. Coast Iron and Steel Trades Allied Craftsmen's Committee—Embargo on overtime.	17. 6. 1940*

NOTE. All these reports have been printed by H. M. Stationery Office except those marked *

<i>Subject of Inquiry</i>	<i>Date of Report</i>
Flemington Coal Co. and Lanarkshire Mineworkers' Union—Suspension, paying off or dismissal of two employees and dismissal of another.	23. 12. 1940*
Stoppages of work by apprentices in engineering and shipbuilding establishments in Scotland—Wage rate negotiation delay.	Interim 19. 3. 1941* Final 21. 4. 1941*
Trade dispute apprehended at Briggs Motor Bodies Ltd., Dagenham—Dismissal of a shop steward.	16. 5. 1941 (Cmd. 6284)
Dispute between Richard Thomas and Co. Ltd., and the National Association of Clerical and Supervisory Staffs—Establishment of negotiating procedure.	30. 6. 1941*
Dispute between Trent Guns and Cartridges Ltd. Grimsby, and the National Union of General and Municipal Workers—Refusal to recognise T.U. in respect of wages claims and improved conditions.	10. 7. 1941 (Cmd. 6300)
Stoppage of work at Vickers-Armstrongs Limited, Barrow-in-Furness.—Workers' rejection of re-introduction of day and night shift working.	10. 7. 1941*
Industrial unrest among employees of Ribble Motor Services Ltd.—Working conditions and adequacy of arrangements for discussing and settling disputes.	18. 8. 1941*
Dispute between the North Wales and Border Counties Mineworkers' Association and Point of Ayr Collieries Ltd.—Right of the Association to negotiate on behalf of members.	11. 5. 1942*
Causes and circumstances of successive stoppages of work of port transport workers on the river Tyne—Difficulties over negotiating machinery.	9. 7. 1942*
Causes and circumstances of the stoppage of port labour at Immingham and Grimsby—Travelling allowances, Shift rates and risk money.	24. 9. 1942*
Causes and circumstances of the threatened stoppage of work in engineering establishments in South Wales—District rates.	24. 11. 1942*

NOTE. All these reports have been printed by H. M. Stationery Office except those marked *

<i>Subject of Inquiry</i>	<i>Date of Report</i>
Stoppage of work at Messrs. Short and Harland Ltd. Belfast—Dismissal of two shop stewards.	28. 10. 1942*
Stoppage of work at Courtaulds Ltd., Castle Works, Flintshire—Reorganisation of duties.	4. 8. 1943*
Causes and circumstances of the dispute regarding terms of employment of women on engineering work at Rolls Royce Ltd., Hillington, Glasgow.	6. 9. 1943 (Cmd. 6474)
Dispute between Clerical and Administrative Workers' Union and certain colliery undertakings in South Wales—Claim of the Unions to represent their members (clerical workers).	9. 11. 1943 (Cmd. 6493)
Wages and hours of work in the Wool-combing Section of the Wool Textile Industry in Yorkshire.	10. 12. 1943 (Cmd. 6499)
Dispute at the Naval Yard of Vickers-Armstrongs Ltd., Walker-on-Tyne—Manning of flame planing machine.	14. 12. 1944*
Dispute regarding arrangements for employment of Crowd Artistes in the Film Producing Industry.	8. 1. 1945*
Dispute between N.U.R. and the United Society of Boilermakers' and Iron and Steel Shipbuilders regarding upgrading of N.U.R. members at Stratford Loco. Works.	3. 8. 1945*
Difference between the two sides of the National Council for the Omnibus Industry on the Trade Union application for a National Wages and Conditions Agreement.	8. 4. 1946. (Cmd. 6796)
Circumstances and causes of the stoppage of work in the Trawler Fishing Industry—Loss of earnings due to the fall in selling prices.	31. 7. 1946 (Cmd. 6882)
Dispute between the British Fedn. of Master Printers and the Printing and Kindred Trades Fedn.—For a 40 hour week and a fortnights holiday with pay.	13. 9. 1946 (Cmd. 6912)
Whether any causes of industrial unrest amongst the workers concerned likely to affect the future smooth and efficient running of Smithfield Market.	3. 10. 1946 (Cmd. 6932)

NOTE. All these reports have been printed by H. M. Stationery Office except those marked *

<i>Subject of Inquiry</i>	<i>Date of Report</i>
Differences between the two sides of the National Joint Industrial Council for the Road Haulage Industry on the Trade Union Claim for improved working conditions.	23. 1. 1947 (Cmd. 7025)
Difference between Shipbuilding Employers Federation and the Confederation of Shipbuilding and Engineering Unions on the Trade Union Claim for a 40 hour week of five days.	7. 2. 1947 (C.d. 7036)
Causes of Industrial Unrest in the Wire and Wire Rope Industry—N.U.G.M.W. and T. & G.W.U. claimed the right to represent ancillary workers on negotiating machinery.	25. 3. 1947 (Cmd. 7097)
Applications by the Trade Unions representing the Employees of the Railway Companies for Improvements in Wages and Reductions in weekly Hours of Work.	24. 6. 1947 (Cmd. 7161)
Causes and Circumstances of a Dispute between the Savoy Hotel Ltd., and Members of the N.U.G.M.W.—Union recognition.	24. 11. 1947 (Cmd. 7266)
Dispute between the National Coal Board and the National Union of Colliery Winding Enginemn: claim for recognition to negotiate on a National basis, and for wage increase.	24. 1. 1948 (H.M.S.O. Ref.: 47)
Dispute between the Engineering and Allied Employers' National Federation and the Confederation of Shipbuilding and Engineering Unions.	25. 8. 1948 (Cmd. 7511)
Causes and circumstances of a dispute between The London Master Printers' Association and the London Society of Compositors.	21. 10. 1950 (Cmd. 8074)
National Union of Railwaymen, the Associated Society of Locomotive Engineers and Firemen, the Railway Clerks Association and the Railway Executive. Improvement in Wages and Salaries.	8. 2. 1951 (Cmd. 8154)
Electrical Trades Union and the London Electricity Board—T.U. Membership and claim for separate negotiating machinery.	7. 5. 1951 (Cmd. 8232)
Dispute between D. C. Thomson and Company Limited and certain workpeople members of the National Society of Operative Printers and Assistants—Firm's refusal to recognise Trade Unions and to employ their members.	7. 7. 1952 (Cmd. 8607)

THE RESTORATION OF PRE-WAR TRADE PRACTICES ACTS, 1942 AND 1950

1. It was stated in Chapter VI that Part IV of the Conditions of Employment and National Arbitration Order, 1940, provided for the recording of departures from trade practices during the war, with a view to facilitating the operation of legislation for the restoration of those practices after the war. The legislation introduced for this purpose was the Restoration of Pre-War Trade Practices Act, 1942, which made provision for the post-war restoration of trade practices departed from during the war.

The "trade practices" concerned were defined as rules, practices or customs with respect to "the classes of persons to be or not to be employed" and "the conditions of employment, hours of work or working conditions". The Act was not concerned with wages.

2. The Act imposed in certain circumstances an obligation on employers to restore or permit the restoration within two months of "the end of the war period" and to maintain for eighteen months trade practices departed from during the war.

3. The Act provided that an agreement to modify or waive the obligation to restore a trade practice or alternatively to refer the question of modification or waiver to arbitration might be made as respects any undertaking or branch between the employer or an organisation of employers and the appropriate Trade Union. If such an agreement was made the employer would be deemed to have discharged his obligation so long as he complied with the terms of the agreement or arbitration award.

4. The "end of the war period" for the purposes of the Act was defined "as such date as the Minister of Labour and National Service may by Order appoint, not being later than the date on which the Emergency Powers (Defence) Act, 1939, expires". By virtue of Section 8 of the Emergency Powers (Transitional) Provisions Act, 1946, the end of the war for the purposes of this Act was extended to any date fixed by the Minister before 31st December, 1947. Following consultation with the National Joint Advisory Council the appointment of such a date was postponed year by year until the end of 1950. In that year recommendations made by the Council were embodied in a Bill which became the Restoration of Pre-War Trade Practices Act, 1950. This Act confined the obligation on employers to restore the pre-war trade practices to cases where the pre-war practice was departed from during the period 3rd September, 1939, to 15th August, 1945, and provided that the date within two months of which the obligations under the 1942 Act, as amended, came into force was to be a date fixed by Order in Council on the recommendation of the Minister. The draft of the Order in Council was made subject to affirmative resolution by both Houses of Parliament, and the Minister promised he would consult the National Joint Advisory Council before making any recommendation.

5. The Act of 1950 in no way changed the provision in the 1942 Act whereby employers and trade unions might make arrangements to waive the obligations to restore pre-war trade practices.

APPENDIX V WAGES COUNCILS

Aerated Waters (England and Wales)
Aerated Waters (Scotland)
Baking (England and Wales)
Baking (Scotland)
Boot and Floor Polish (Great Britain)
Boot and Shoe Repairing (Great Britain)
Brush and Broom (Great Britain)

APPENDIX V—*continued*

Button Manufacturing (Great Britain)
Chain (Great Britain)
Coffin Furniture and Cerement-making (Great Britain)
Corset
Cotton Waste Reclamation (Great Britain)
Cutlery (Great Britain)
Dressmaking and Women's Light Clothing (England and Wales)
Dressmaking and Women's Light Clothing (Scotland)
Drift Nets Mending (Great Britain)
Flax and Hemp (Great Britain)
Fur (Great Britain)
Fustian Cutting (Great Britain)
General Waste Materials Reclamation (Great Britain)
Hair, Bass and Fibre (Great Britain)
Hairdressing Undertakings (Great Britain)
Hat, Cap and Millinery (England and Wales)
Hat, Cap and Millinery (Scotland)
Hollow-ware (Great Britain)
Jute (Great Britain)
Keg and Drum (Great Britain)
Lace Finishing (Great Britain)
Laundry (Great Britain)
Linen and Cotton Handkerchief and Household Goods and Linen Piece Goods
(Great Britain)
Made-up Textiles (Great Britain)
Milk Distributive (England and Wales)
Milk Distributive (Scotland)
Ostrich and Fancy Feather and Artificial Flower (Great Britain)
Paper Bag (Great Britain)
Paper Box (Great Britain)
Perambulator and Invalid Carriage (Great Britain)
Pin, Hook and Eye, and Snap Fastener (Great Britain)
Ready-made and Wholesale Bespoke Tailoring (Great Britain)
Retail Bespoke Tailoring (England and Wales)
Retail Bespoke Tailoring (Scotland)
Retail Bookselling and Stationery (Great Britain)
Retail Drapery, Outfitting and Footwear (Great Britain)
Retail Food (England and Wales)
Retail Food (Scotland)
Retail Furnishing and Allied Trades (Great Britain)
Retail Newsagency, Tobacco and Confectionery (England and Wales)
Retail Newsagency, Tobacco and Confectionery (Scotland)
Road Haulage
Rope, Twine and Net (Great Britain)
Rubber Manufacturing (Great Britain)
Rubber Reclamation (Great Britain)
Sack and Bag (Great Britain)
Shirtmaking (Great Britain)
Stamped or Pressed Metal-Wares (Great Britain)
Sugar Confectionery and Food Preserving (Great Britain)
Tin Box (Great Britain)
Tobacco (Great Britain)
Toy Manufacturing (Great Britain)
Wholesale Mantle and Costume (Great Britain)
CATERING WAGES BOARDS
Industrial and Staff Canteen Undertakings
Unlicensed Place of Refreshment
Licensed Residential Establishment and Licensed Restaurant
Licensed Non-Residential Establishment
Unlicensed Residential Establishment

APPENDIX VI

PROPORTIONS OF WAGE-EARNERS PAID UNDER SYSTEMS OF PAYMENT BY RESULTS IN THE LAST PAY WEEK IN OCTOBER, 1951

Note.—Wage-earners paid under systems of payment by results include those paid wholly or partly under any such system. The term "payment-by-results" includes piecework arrangements, output bonus schemes or any other systems of payment which vary according to the output of individuals, groups or departments.

Industry	Percentages* of workpeople paid under systems of payment by results				
	Men (21 and over)	Youths and Boys	Women (18 and over)	Girls	All Workers
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Treatment of Non-Metalliferous Mining Products other than Coal					
Bricks and Fireclay Goods	48	38	52	33	47
China and Earthenware (inc. glazed tiles)	37	21	51	36	43
Glass (other than containers)	47	46	34	39	44
Glass Containers	24	27	25	15	24
Cement	10	6	3	—	10
Other Non-Metalliferous Mining Manufactures	28	19	26	51	28
Chemicals and Allied Trades					
Coke Ovens and By-Product Works	10	0	—	—	10
Chemicals and Dyes	17	4	13	7	15
Pharmaceutical Preparations, Toilet Preparations and Perfumery	5	5	14	13	10
Explosives and Fireworks	36	31	77	85	51
Paint and Varnish	15	11	14	—	15
Soap, Candles, Glycerine, Polishes, Ink and Matches	4	4	13	26	9
Mineral Oil Refining	2	0	0	—	2
Other Oils, Greases, Glue, etc.	7	4	5	—	7
Metal Manufacture					
Blast Furnaces	65	32	—	—	64
Iron and Steel Melting, Rolling, etc., not elsewhere specified	66	45	35	—	63
Iron Foundries	58	40	53	52	56
Tinplate Manufacture	63	38	50	15	59
Steel Sheet Manufacture	58	48	41	—	56
Iron and Steel Tubes (inc. melting and rolling in integrated works)	58	42	46	—	56
Non-Ferrous Metals Smelting, Rolling, etc.	49	38	48	58	49

Industry	Percentages* of workpeople paid under systems of payment by results				
	Men (21 and over)	Youths and Boys	Women (18 and [†] over)	Girls	All Workers
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Engineering, Shipbuilding and Electrical Goods					
Shipbuilding and Ship Repairing	52	42	17	—	50
Marine Engineering	47	45	22	—	47
Agricultural Machinery (exc. tractors)	25	12	29	—	24
Boilers and Boilerhouse Plant	53	33	15	—	50
Machine Tools	49	51	40	34	48
Stationary Engines	73	75	61	—	72
Textile Machinery and Accessories	59	47	43	47	56
Ordnance and Small Arms	47	17	51	—	47
Constructional Engineering	46	53	39	—	47
Other Non-Electrical Engineering	50	41	56	58	50
Electrical Machinery	58	44	71	60	60
Electrical Wires and Cables	62	67	62	65	62
Telegraph and Telephone Apparatus	50	53	74	88	60
Wireless Apparatus (exc. valves) and Gramophones	49	32	62	59	55
Wireless Valves and Electric Lamps	42	11	69	60	58
Batteries and Accumulators	71	—	76	—	72
Other Electrical Goods	51	34	67	59	56
Vehicles					
Manufacture of Motor Vehicles and Cycles	57	51	63	85	57
Motor Repairers and Garages :					
Firms employing 10 or more workers	8	3	12	—	7
Firms employing less than 10 workers	2	1	—	—	2
All firms supplying returns	7	3	12	—	7
Manufacture and Repair of Aircraft	59	59	53	76	59
Manufacture of Parts and Accessories for Motor Vehicles and Aircraft	54	51	59	64	55
Locomotive Manufacture....	63	77	37	—	64
Manufacture and Repair of Railway Carriages and Wagons and Trams	63	63	39	—	62
Carts, Perambulators, etc.	23	16	45	—	30

Industry	Percentages* of workpeople paid under systems of payment by results				
	Men (21 and over)	Youths and Boys	Women (18 and over)	Girls	All Workers
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Metal Goods not Elsewhere Specified					
Tools and Cutlery	47	41	40	37	44
Bolts, Nuts, Screws, Rivets, Nails, etc.	54	50	67	65	60
Iron and Steel Forgings, not elsewhere specified....	51	40	46	—	49
Wire and Wire Manufac- tures	46	30	46	42	45
Hollow-ware	30	28	27	28	28
Brass Manufactures	44	36	59	53	48
Metal Industries not else- where specified	42	31	57	56	46
Precision Instruments, Jewellery, etc.					
Scientific, Surgical and Photographic Instru- ments, etc.	33	38	46	40	37
Manufacture and Repair of Watches and Clocks	19	11	51	58	33
Jewellery, Plate and Re- fining of Precious Metals	22	12	34	32	26
Musical Instruments	18	11	27	—	18
Textiles					
Cotton Spinning, Doubling etc.	25	9	58	47	45
Cotton Weaving, etc.	33	36	79	70	63
Total Cotton	28	18	66	56	52
Woollen and Worsted	26	16	61	49	44
Rayon, Nylon, etc., Pro- duction	54	27	73	53	58
Rayon, Nylon, etc., Weav- ing and Silk	41	21	66	55	54
Linen and Soft Hemp	18	7	46	38	35
Jute	15	6	53	62	37
Rope, Twine and Net	22	17	55	52	43
Hosiery and other Knitted Goods	57	27	76	73	70
Lace	45	24	38	35	40
Carpets	49	33	70	65	59
Narrow Fabrics	27	29	52	47	44
Made-up Textiles	12	11	44	44	37
Textile Finishing, etc.	53	41	54	52	52
Other Textile Industries	39	32	40	38	39

Industry	Percentages* of workpeople paid under systems of payment by results				
	Men (21 and over)	Youths and Boys	Women (18 and over)	Girls	All Workers
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Leather, Leather Goods and Fur					
Leather (Tanning and Dressing) and Fellmongery	46	22	32	41	43
Leather Goods	21	26	33	30	29
Fur	14	—	11	—	12
Clothing					
Tailoring :					
Ready-made and Wholesale Bespoke	18	12	44	33	37
Retail Bespoke :					
Firms employing 10 or more workers	23	—	14	8	15
Firms employing less than 10 workers	23	—	8	—	14
All firms supplying returns	23	—	13	7	15
Dressmaking :					
Firms employing 10 or more workers	4	8	42	31	37
Firms employing less than 10 workers	—	—	12	—	11
All firms supplying returns	4	8	41	31	37
Overalls, Shirts, Underwear, etc.	9	13	56	48	50
Hats, Caps and Millinery	39	20	38	18	37
Other Dress Industries	28	10	59	55	52
Manufacture of Boots, Shoes, Slippers, Clogs (exc. rubber)	51	37	50	48	50
Repair of Boots and Shoes:					
Firms employing 10 or more workers	36	5	12	—	27
Firms employing less than 10 workers	23	—	—	—	20
All firms supplying returns	33	5	11	—	26
Food, Drink and Tobacco					
Grain Milling	1	2	14	15	4
Bread and Flour Confectionery :					
Firms employing 10 or more workers	8	2	7	2	7
Firms employing less than 10 workers	3	2	3	2	3

Industry	Percentages* of workpeople paid under systems of payment by results				
	Men (21 and over)	Youths and Boys	Women (18 and over)	Girls	All Workers
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
<i>All firms supplying re- turns</i>	7	2	7	2	7
Biscuits	20	19	49	38	39
Meat and Meat Products	4	1	9	9	6
Milk Products	1	1	1	2	1
Sugar and Glucose	5	0	11	13	6
Cocoa, Chocolate and Sugar Confectionery	42	40	50	37	46
Preserving of Fruit and Vegetables	11	8	31	25	24
Other Food Industries	12	7	18	21	14
Brewing and Malting	2	5	2	1	2
Wholesale Bottling	1	4	1	4	2
Other Drink Industries	8	1	6	4	7
Tobacco	8	2	36	37	26
Manufactures of Wood and Cork					
Timber (Sawmilling, etc.)	13	9	23	16	13
Furniture and Upholstery:					
Firms employing 10 or more workers	37	21	33	20	34
Firms employing less than 10 workers	6	1	7	—	5
<i>All firms supplying re- turns</i>	36	21	32	19	33
Shop and Office Fitting	6	2	15	—	6
Wooden Containers and Baskets	18	13	32	44	20
Miscellaneous Wood and Cork Manufactures	18	15	24	12	19
Paper and Printing					
Paper and Board	22	15	38	33	25
Wallpaper	2	6	4	5	3
Cardboard Boxes, Cartons and Fibre-board Packing Cases	21	9	41	34	32
Manufactures of Paper and Board not elsewhere specified	17	14	35	30	27
Printing and Publishing of Newspapers and Periodi- cals	2	0	5	0	2
Other Printing and Pub- lishing, Bookbinding, En- graving, etc.	4	2	12	8	6

Industry	Percentages* of workpeople paid under systems of payment by results				
	Men (21 and over)	Youths and Boys	Women (18 and over)	Girls	All Workers
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Other Manufacturing Industries					
Rubber	65	50	65	57	64
Linoleum, Leather Cloth, etc.	63	53	73	—	64
Brushes and Brooms	28	36	44	46	38
Toys, Games and Sports Requisites	46	36	74	55	63
Miscellaneous Stationers' Goods	19	6	27	23	23
Miscellaneous Manufactur- ing Industries	34	18	45	43	38
All Manufacturing indus- tries†	38	28	48	39	40
Mining and Quarrying (exc. coal)					
Iron Ore Mining and Quarrying	36	16	—	—	35
Stone Quarrying and Min- ing	23	11	—	—	22
Slate Quarrying and Min- ing	66	21	—	—	63
Clay, Sand, Gravel and Chalk Pits	35	15	—	—	34
Other Mining and Quarry- ing	33	9	46	—	34
Building and Contracting					
Building	17	10	3	—	16
Electric Wiring and Con- tracting	1	1	8	—	1
Civil Engineering Con- tracting	15	14	—	—	15
Gas, Electricity and Water Supply					
Gas	3	0	0	—	3
Electricity	0	0	0	—	0
Water	1	0	—	—	1
Transport and Communica- tion					
Tramway and Omnibus Service	1	2	0	—	0
Goods Transport by Road Harbour, Dock, Canal, Conservancy, etc., Service	4	1	1	—	4
	10	3	0	—	9

Industry	Percentages* of workpeople paid under systems of payment by results				
	Men (21 and over)	Youths and Boys	Women (18 and over)	Girls	All Workers
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
Other Transport and Communication	2	1	21	—	2
Storage	5	4	13	15	6
Public Administration					
National Government Service†	0	0	0	0	0
Local Government Service	2	3	0	0	1
Other Services					
Laundries	19	16	26	21	24
Dry Cleaning, Job Dyeing, etc.	22	13	32	18	27
All the above†	28	22	44	38	32

* Where no figure is given, the number of workers covered by the returns was too small to provide a satisfactory basis for the calculation of a general percentage.

† These percentages have been calculated on the basis of the estimated total number of wage-earners employed in the industries covered by the enquiry.

‡ So far as national government is concerned, the figures relate only to those government industrial employees who have not been included in the figures for other industries and services such as shipbuilding, engineering, ordnance and small arms, printing, building, civil engineering, contracting, transport and communication.

APPENDIX VII

LIST OF ITEMS COVERED BY THE INTERIM INDEX OF RETAIL PRICES

I. FOOD

Section	Items Priced	Remarks
1. Bread	Household bread : 1 $\frac{3}{4}$ lb. loaf 14 oz. loaf	
2. Flour	Plain flour per 3 lb. Self-raising flour per 3 lb.	
3. Biscuits, cakes, buns, etc.	Biscuits—a selection of varieties per lb. Cake per lb.	
4. Beef	Home-killed (1st quality) : per lb. Sirloin (without bone) Topside, silverside or thick flank (without bone) Top ribs or back ribs (with bone) Thin flank or brisket (with bone) Imported (Chilled and Frozen) : per lb. Sirloin (without bone) Topside, silverside or thick flank (without bone) Leg, shin or neck (without bone) Thin flank or brisket (with bone)	These descriptions of cuts of meat are applicable in England and Wales. In Scotland and in Northern Ireland the methods of cutting are not quite the same as in England and Wales and the nearest equivalent cuts are taken
5. Mutton and lamb	Home-killed (1st quality) : per lb. Mutton: Leg (except chop) (with bone) Lamb: Loin (except chop) Scrag or breast Shoulder (with bone) Imported : per lb. Mutton: Leg (except chop) (with bone) Lamb: Loin (except chop) Scrag or breast Shoulder (with bone)	
6. Other meat	Pork, Home-killed : per lb. Leg (foot off) (except leg chops) Belly Corned beef per lb. Canned ham per lb. Sausages : per lb. Pork Beef	
	Ox liver per lb. Rabbits, wild per lb.	
		The price comparisons allow for changes in the meat content when this is varied by 10 or more points from the percentage prevailing at the base date

Section	Items Priced	Remarks
7. Bacon and ham	Bacon : per lb. Back Streaky. (The prices for thick and thin "streaky" are used according to the prevailing custom in each area)	In areas where prices for "back" and "streaky" are not available, the price for "middle" is used. In Scotland prices for "Ayrshire roll, middle" and "Ayrshire roll, shoulder" are used
8. Fish	Cod, cuts per lb. Cod, fillets per lb. Haddock, fresh, whole per lb. Haddock, smoked per lb. Hake, cuts per lb. Plaice, whole per lb. Herrings per lb. Kippers per lb.	
9. Fresh milk	Raw or pasteurised per pint (price delivered)	Price comparisons include allowances for school milk and milk supplied at reduced prices, or free, under National Milk Scheme
10. Butter	Butter per lb.	
11. Margarine, cooking fat, etc.	Margarine "Special" per lb. Compound cooking fat per lb.	
12. Cheese	Cheddar type per lb.	
13. Eggs (in shell)	Fresh eggs, large : per egg Home-produced or imported	
14. Tea	Qualities retailed at 3s. per lb. in June, 1947 per lb.	
15. Sugar and syrup	White granulated sugar per lb. White lump sugar per lb. Golden syrup per 2 lb. tin	
16. Potatoes	Old per 7 lb. New per 1 lb.	
17. Other vegetables	Tomatoes per lb. Cabbage per lb. Cauliflower or broccoli per lb. Brussels sprouts per lb. Peas per lb. Carrots (sold without tops) per lb. Turnips or swedes per lb. Onions, ripe per lb. Canned peas (fresh or garden) per tin* Canned peas (processed) per tin*	

*Prices are collected for specified sizes.

Section	Items Priced	Remarks
18. Fruit	Apples, cooking per lb. Oranges per lb. Bananas per lb. Currants, loose per lb. Sultanas, loose per lb. Canned pears per tin* Canned peaches per tin* Canned plums per tin*	
19. Miscellaneous manufactured foods	Rolled oats per pkt.* Breakfast cereals per pkt.* Condensed milk, full cream, unsweetened per tin (2 pint equivalent) Dried milk, full cream per tin* Proprietary food drinks per $\frac{1}{2}$ lb. tin Coffee essence per tin or bottle* Cocoa per tin* Chocolate per block* Boiled sweets per lb. Jam : per 1 lb. jar Strawberry Plum Marmalade Canned red salmon per 1's tin Canned sardines per tin* Canned beans in tomato sauce per 1 lb. tin Custard powder per pkt.* Table jelly per pint tablet Sauce per bottle* Table salt per 1 lb. carton Soft drinks per bottle* Ice cream per block, etc.*	

*Prices are collected for specified sizes. For ice cream, prices are expressed per fluid ounce, per pint, etc., equivalent.

II. RENT AND RATES

Enquiries are made of Local Authorities as to movements in the rents (including rates) of working-class unfurnished dwellings of which the rents have been continuously controlled under the various Rent Restrictions Acts up to 1938, and in those of dwellings of which the rents were de-controlled between the wars and subsequently re-controlled under the Act of 1939. Practically all of these dwellings were built before the 1914-18 war. In addition enquiries are made of Local Authorities in the same areas in respect of houses owned by them. In areas where there is a substantial number of privately-owned houses built since 1914 and let for rent, particulars in respect of these are also obtained. The localities covered are given in Appendix X.

III. CLOTHING

<i>Section</i>	<i>Items Priced</i>	<i>Remarks</i>
1. Men's outer clothing	Three-piece suit, worsted, ready-made (2 grades) Overcoat, ready-made Sports coat, tweed Trousers, union or Derby tweed Raincoat, cotton gaberdine, lined Hat, wool felt, or cap Overall, bib and brace	These descriptions are sufficiently elastic to allow individual retailers to select, for pricing purposes, the particular line which is predominantly sold to working-class households. Retailers are asked to supply detailed descriptions, sizes, etc., of the particular articles for which they quote prices, in order to ensure comparability of quotations
2. Men's under-clothing	Shirt, work shirt, collar attached Shirt, tunic shirt, cotton, with two collars Vest, cotton and wool plated Pants or trunks, interlock cotton Socks, wool or woollen mixture	
3. Women's outer clothing	Suit or costume, woven woollen Skirt, woollen Winter overcoat, wool, fully lined (2 grades) Mackintosh, light, unlined, rubberised, single texture Blouse, filament rayon, short sleeves Dress, spun rayon, short sleeves Dress, woollen, long sleeves Jumper or cardigan, wool Overall, cotton, cross-over or slip-on, sleeveless Hat, wool felt (price fixed or branded kind) Gloves, unlined cape	
4. Women's underclothing	Slip, locknit rayon, round neck Knickers, rayon Vest, cotton mixture, sleeveless Corsets Roll-on (two-way stretch) Hose, seamless rayon Hose, fully-fashioned rayon Hose, fully-fashioned hisle Sanitary towels	
5. Children's outer clothing	Boy's two-piece suit, union, lined Boy's jersey or pullover, wool and cotton plated Boy's raincoat, wool gaberdine Girl's gym tunic, woollen Girl's dress, cotton, short sleeves Girl's overcoat, woollen, fully lined Infant's pram set, knitted wool with feet Infant's smocked frock, woven rayon	

<i>Section</i>	<i>Items Priced</i>	<i>Remarks</i>
6. Children's underclothing	Boy's shirt, flannel Boy's three-quarter hose, wool Girl's knickers, interlock cotton Girl's ankle socks, rayon plated Infant's nursery squares, terry	These descriptions are sufficiently elastic to allow individual retailers to select, for pricing purposes, the particular line which is predominantly sold to working-class households. Retailers are asked to supply detailed descriptions, sizes, etc., of the particular articles for which they quote prices, in order to ensure comparability of successive quotations
7. Clothing materials	Rayon dress material, per yard Woollen coating material, per yard Winceyette or flannelette, per yard Baby knitting wool, per oz.	
8. Men's footwear	Heavy working boots Shoes, Oxford, leather sole	
9. Women's footwear	Walking shoes ("comfort" shoes), lace or one bar Fashion shoes, court Slippers, fabric uppers	
10. Children's footwear	Boy's shoes, leather sole Boy's shoes, composition sole Girl's shoes, one bar, leather sole Girl's lace-up school shoes, leather sole Child's plimsolls Child's wellingtons Child's sandals	

IV. FUEL AND LIGHT

<i>Section</i>	<i>Items Priced</i>	<i>Remarks</i>
1. Coal and coke	Coal of selected types per cwt. Gas coke, boiler nuts per cwt. Gas coke, open fire per cwt.	The types of coal included in respect of each area have been selected by Regional Coal Officers as being representative of domestic consumption in the selected towns
2. Gas	Flat rate per therm; rent of meter	
3. Electricity	Average cost per unit, inclusive of fixed quarterly, etc., charges and meter rent, at a consumption level of approximately 1,000 units per annum	
4. Other	Lamp oil per gallon Candles per lb.	

V. HOUSEHOLD DURABLE GOODS

Section	Items Priced	Remarks
1. Furniture	Wooden bedstead Kitchen chair Bedroom suite Upholstered wooden armchair Drop-side cot Dining-room table Hair or interior spring mattress Upholstered three-piece suite Kitchen cabinet, wood or metal	Retailers are asked to supply detailed descriptions of the particular articles for which they quote prices, in order to ensure comparability of successive quotations
2. Appliances, etc.	Radio set Pedal cycle (man's) Vacuum cleaner Domestic sewing machine Perambulator Alarm clock (mechanical) Rubber-roller table mangle Electric fire Electric iron Gas fire Gas cooker Tennis racquet Gramophone record	
3. Floor coverings	Felt-base floor covering Inlaid linoleum per sq. yard Axminster rug per sq. yard Carpet per sq. foot Carpet per sq. yard	
4. Drapery and soft furnishings	Sheets, cotton or flannelette Blankets, wool per pair Curtain material per pair Hand towel, terry, each, or roller per yard towel, terry, made-up or per yard Tea towel or glass cloth, cotton, linen or union, each	
5. Hardwear, pottery, glass, etc.	Household bucket, galvanised Cake tins Saucepan, aluminium Washup bowl, enamel Garden digging fork Scissors Distemper Scrubbing brush Soft broom (hair or substitute) Paint brush Cup, undecorated whiteware Teapot, earthenware Tumbler, pressed glass, no handle Electric lamp, 60 watt	

VI. MISCELLANEOUS GOODS

<i>Section</i>	<i>Items Priced</i>	<i>Remarks</i>
1. Soap, etc.	Toilet soap Hard soap Soap powder Soapless detergent	
2. Miscellaneous household goods	Soda Polishes (boot, floor, metal) Cleaning powders Matches, per box	
3. Medicine and toilet requisites	Selected proprietary medicines, etc., tooth pastes, razor blades, cosmetics, hair cream, toilet paper	
4. Newspapers, toys, books, and stationery	Newspapers and periodicals (including children's periodicals), toys, books (cheap edition), writing paper	

VII. SERVICES

<i>Section</i>	<i>Items Priced</i>	<i>Remarks</i>
1. Travel	Rail fares Omnibus, trolley bus and tramway fares Petrol, per gallon Cycle and motor cycle tyres Motor cycle insurance Motor cycle licence	
2. Postage, etc.	Inland letter postage Inland parcel postage Poundage on postal orders and money orders Wireless licence	
3. Entertainment	Admission to :—Cinemas Football matches	
4. Other services	Boot and shoe repairs: soling and heeling man's shoes; heeling woman's shoes Laundry: bag wash or 1 sheet Dry cleaning: man's three-piece suit; woman's coat Hairdressing: man's hair cut; woman's shampoo and set Domestic help: recognised rate per hour for charwoman Watch repairs: cleaning man's wrist watch	

VIII. ALCOHOLIC DRINK

<i>Section</i>	<i>Items Priced</i>	<i>Remarks</i>
1. Beer	Beer, draught, per pint, and bottled beer	
2. Whisky	Whisky, per bottle and per single "nip"	

IX TOBACCO

Section	Items Priced	Remarks
1. Cigarettes	Cigarettes, various brands, per 10	
2. Pipe tobacco	Pipe tobacco, various brands, per oz.	

APPENDIX VIII

INTERIM INDEX OF RETAIL PRICES:
DETAILED NOTES ON ITEMS

Food

In general the items selected in each section are those which can be regarded as likely to reflect the movements in prices in the section as a whole. The conditions prevailing when the index started, however, prevented finality in the choice of items, but where possible provision has been made for modifications when restrictions come to an end. For example, while only "National" butter is on sale, this is taken for the index, but some modifications in procedure will be required when other types are available. For margarine, the "Special" type only is priced, since this is virtually the only type purchased, but other varieties may need to be introduced for the purpose of the index at a later date. As regards cheese, the Cheddar type, available all the year round, is the kind used for the index, but it is not possible to say what the predominant type of cheese may be in the future.

Certain of the food items present special problems and notes on these are given below:—

(a) *Fish and chips.* Owing to the difficulty of obtaining satisfactory price quotations independent of changes in quantity and quality, the item "Fish and Chips" is omitted from the list of food items for which prices are collected, but the weights allocated to fresh fish and potatoes are slightly increased to compensate for the omission.

(b) *Milk.* The average price of milk used for the index allows for school milk and milk supplied at reduced prices, or free, under the National Milk Scheme. The proportion of each category is known each month to the Ministry of Food. If, however, the prices were weighted in these proportions, the average price would rise in the periods of school holidays and fall in winter when the amount of full-price milk is relatively smaller. Since it is undesirable that the index should be subject to such marked variations (which would not be the result of changes in actual prices) the weighting is the average of the proportions in the twelve months preceding the date of each index figure.

(c) *Potatoes.* Up to and including mid-June in each year the prices of old potatoes only are used, provided that there are reasonable quantities on sale and that sufficient quotations can be obtained. In July, but normally in no other month, the prices of both old and new potatoes are taken into account, the prices of old and new potatoes for that month being combined in proportion to the quantities of old and new potatoes actually on sale. But allowance is made for the fact that there is less wastage and greater nutritive value with new potatoes than with old, and, to allow for this, 5½ lbs. of new potatoes are taken as equivalent to 7 lbs. of the old crop in July. In August, when the supply is entirely of the new crop, 6 lbs. of potatoes are taken as equivalent to 7 lbs. in the remaining months in the year. With these exceptions, the price of the predominant variety on sale in each area is taken, irrespective of variations in quality.

(d) *Other vegetables.* The compilation of an index which measures monthly

changes in the retail prices of vegetables is a matter of some complexity, one of the principal difficulties being the relatively short period for which particular kinds are commonly available and the seasonal variations in the supplies of other kinds. Consideration has been given to various methods and the following method is the one adopted for the index.

The varieties of vegetables covered by the enquiries are :

Tomatoes	Carrots (sold without tops)
Cabbage	Turnips or swedes
Cauliflower or broccoli	Onions, ripe
Brussels sprouts	Canned peas
Peas	

Certain of these items such as tomatoes, cabbage, onions and canned peas are available in every month of the year and are included in the calculations each month. The remaining vegetables are included for those months when they are normally in season. For each vegetable included in any given month, the percentage increase in price since the base date is computed, the base price being that in the base month, or in the first month of the season if this does not cover the base date. As a variety falls out of season it ceases temporarily to enter into the calculation. The index for all the vegetables is the average of the indices for the individual vegetables available in the month under review, most of the items being given equal weighting in this average, but tomatoes, cabbage and canned peas being given larger weights because of their importance. In combining this index with the indices for other food sections, it receives the full weight for the section "other vegetables", irrespective of the monthly variations in the kinds of vegetables covered.

(e) *Tea*. There are special difficulties in measuring changes in the price of tea of uniform and unvarying quality, and price quotations from retailers are liable to reflect changes in quality or in the blends in current demand rather than changes in the actual level of prices. For the present, changes in the maximum permitted prices under the price control Orders of the Ministry of Food are taken as representing the actual changes in price level, and these changes are calculated with reference to the qualities of tea retailed at about 3s. a pound at the date when the index started, in 1947. If control is removed, enquiries as to price and quality will be made of wholesale suppliers in a similar manner to the procedure used for manufactured foods.

(f) *Food for animals*. Owing to the very wide variety of kinds of food for animals and the difficulty of selecting typical examples, food for animals is omitted as a separate item, but the appropriate weight is included in the total weight allocated for food.

Clothing

In consultation with representatives of the clothing distributive trades, the Technical Committee drew up a list of items for which it seemed possible to obtain regular price quotations, and which could be regarded as providing a representative sample of the articles of clothing and footwear purchased by working-class households. Moreover, the items of clothing and clothing materials were selected so as to maintain, so far as possible, a satisfactory balance between materials, *e.g.*, wool, cotton and rayon goods, and between different methods of manufacture. Changes in the types and qualities of goods on sale from time to time make it impossible to measure with absolute precision the real movement in price levels, but, within the broad descriptions of the items listed in Appendix VII, each retailer is asked to select and describe particular articles being commonly sold to his working-class customers, and to continue to quote for these same articles as long as possible. When it becomes

impossible to continue to quote prices for any particular article, the retailer is asked to substitute the price of another and to supply such particulars as are necessary to enable the effect of the change in quality, if any, to be allowed for when comparing the actual price quotations.

Fuel and Light

Coal and Coke. While retail prices of coal and coke are controlled, schedules of current maximum prices in different localities, as authorised by Regional Officers of the Ministry of Fuel and Power, are available. These maximum prices may be regarded as an adequate guide to the changes, from time to time, in the prices actually being charged, and are, therefore, used as the basis for computing changes in prices for the interim index. The kinds and qualities of coal available for domestic use vary from town to town, but the Regional Coal Officers of the Ministry of Fuel and Power have selected, in each of the 200 towns listed in Appendix X, the grades most commonly purchased by working-class households and furnish particulars of the changes, from time to time, in the authorised prices of these grades. For coke, the kinds used for domestic purposes are more or less uniform over the country as a whole and the Regional Coal Officers supply particulars of the authorised prices of two selected types in each of the 200 towns.

Gas. The actual charge for gas for domestic use in any one locality does not vary according to whether supplied by prepayment meter or ordinary meter, and where higher charges appear to be made for supplies by prepayment meter, the addition is in respect of fittings, apparatus, meter rent, etc. It is not considered practicable to measure changes in the charges for hiring apparatus and in the Appliances Section in Group V certain heating and cooking appliances have been included as the best means of measuring price changes applicable to this kind of expenditure. In these circumstances, in this section of the index the price charged for gas supplied by ordinary meter, together with the meter rent, is used. In certain areas there are arrangements under which the rate per therm varies according to the level of consumption, but as the level of consumption at which the rate is reduced is usually fairly high, the lower charge under such tariffs is not taken into account in the index.

Electricity. As regards electricity, there is a wide variety in the basis of charges for lighting, heating, etc., and in many areas the consumer has a choice of tariffs. The actual cost per unit for any particular household is dependent, not only on the choice of tariff, but in a very large proportion of cases it also depends on the actual consumption of the household, owing to the prevalence of domestic two-part tariffs, under which the cost comprises a fixed quarterly charge plus a relatively small charge per unit. The 1937-38 budgets indicated that at that date the average consumption of the households covered was in the neighbourhood of about 500 units per annum. This average covered households with widely differing rates of consumption, but special enquiries made by the Department in 1947 as to the current charges at various selected levels of consumption suggested that regular enquiries in respect of a consumption level of 500 units per annum might then be regarded as giving a sufficiently representative basis for the measurement of changes in electricity charges. Accordingly, when the index started, in 1947, the quotation obtained for each town was the cost per unit by whichever tariff would be the cheapest for a typical working-class household consuming 500 units per annum. Where a separate meter rent was charged, the amount of such meter rent was included, but the hire of apparatus was dealt with as in the case of gas.

When reviewing this procedure in 1951 the Technical Committee observed that the average consumption of electricity by working-class households was then probably double the pre-war rate of consumption. As standing charges tended to remain unaltered while the charges per unit were often altered, the Committee concluded that the basis of calculation hitherto in use exaggerated

the stability of the electricity index, neither increases nor decreases being fully recorded by the index. They therefore recommended that the measurement of changes in electricity charges should be altered and should be calculated by reference to the cost per unit for an annual consumption of 1,000 units. This method of calculation has been used as from January, 1952.

Household Durable Goods

Included under this group are certain heating and cooking appliances, the expenditure on some of which was classified in the results of the budget enquiry under expenditure on fuel and light. A selection of items of furniture is included which, it is considered, provides an adequate measure of the movement in the prices of furniture purchased by working-class households.

Miscellaneous Goods

In this group, as in the case of household durable goods, care has been taken to include a fair representation of items bearing Purchase Tax. Certain additional items have been included since January, 1952. The items included in respect of medicines, etc., are proprietary articles and not those made up on prescriptions.

Services

In the case of rail fares account is taken of changes in single, return, season and early morning or workmen's fares. For omnibus, trolleybus and tramway fares, information is obtained in respect of the predominant form of transport in the towns covered by the food items, omitting those with populations under 5,000. In London particulars are obtained in respect of the whole of the London passenger transport system. In other areas particulars are obtained in respect of the cost of travelling certain fixed distances, the number of selected distances being:—

Towns with a population of 200,000 and over—3 distances.

Towns with a population of 50,000–200,000—2 distances.

Towns with a population of 5,000–50,000—1 distance.

Where there are workmen's fares on omnibuses, trolleybuses or tramways, the cost of travelling one distance is taken.

In the case of poundage on postal and money orders, information is obtained in respect of the changes in poundage on postal and money orders of three values, selected as predominant in consultation with the General Post Office. As regards entertainment, the charges for admission to football matches are measured by the ground admission charge to First Division League games, and the details of the cinema seats to be included have been chosen in consultation with the Customs and Excise Department and the industry.

Alcoholic Drink

Beer. The problem of measuring changes in the prices of beer presents peculiar difficulties. In order to conform with the general principle underlying the index, the price movements taken into account should relate as far as possible to commodities of constant quality, but the quality of beer, particularly as regards its alcoholic content, does not, in fact, remain constant. Beer is not a standardised commodity, and many different kinds and qualities are on sale, at different prices, at any given moment. It is therefore necessary to collect price data covering large numbers of public houses in many different areas in order to obtain a representative index of price movements, ensuring, so far as possible, that the successive quotations for any particular public house relate to the same kind of beer at each date. But the chief difficulty occurs as a consequence of the general increases or decreases in strength that are liable to occur from time to time.

It is not considered possible to make adjustments to the price of beer prevailing in any month which would accurately measure the consumers' loss or gain in satisfaction from changes in the quality of the beer. For beer which is bought in public houses the question of consumer satisfaction may be bound up with the service, recreation, social intercourse and the amenities of the public house as well as with the alcoholic strength of beer. Nevertheless differences in strength are reflected to some extent in differences in price, and changes in strength may be introduced sometimes in conjunction with a corresponding change in price but sometimes as an alternative to a change in price. Accordingly the Technical Committee were of the opinion that some allowance must be made for variations in the strength of beer in any index which purports to measure changes in prices for articles of unchanged quality. They believed, however, that since alcoholic content is not the only criterion of quality in beer, an index which made full allowance for changes in strength would over-weight the importance to consumers of variations in the alcoholic content of beer.

The method used for measuring changes in the prices of beer for the purpose of the retail prices index represents a compromise between a method which totally ignores changes in strength and a method which makes a full allowance for changes in strength. From June, 1947 up to January, 1952, this method was one in which the actual prices charged were adjusted to allow for the extra duty which would have been payable if the strength had been that which prevailed in 1938. From January, 1952, a slightly simpler procedure has been adopted, the percentage change in the price of beer being taken as the simple average of:—

- (a) the percentage change in the price of a pint of beer as sold, irrespective of its strength; and
- (b) the percentage change in the price when fully adjusted to allow for changes in strength.

This new procedure is equivalent to taking the mean of the price changes for what are known in the trade as the "bulk barrel" and the "standard barrel." In practice it gives much the same result as the procedure followed before January, 1952, but avoids some anomalies. The information needed for this purpose is the price and the specific gravity, and both are obtained from a representative sample of brewers who produce about one-third of the total beer sold in the United Kingdom. The current retail prices of each of the large number of beers produced by these firms are combined by fixed weights representing the average quantity of each sold in 1950. The current specific gravities of each of these beers are also combined by the same fixed set of weights. The resulting weighted averages are then used to calculate the percentage increases referred to in (a) and (b) above. Separate percentages are first computed for each of five broad categories, draught mild, draught bitter, bottled brown, bottled pale and bottled stout. The five are then combined, by appropriate weighting based on the relative 1950 expenditure in each category, in order to produce a single index for beer as a whole.

Spirits. As regards spirits, the prices of whisky per bottle and per single "nip," as charged in public bars, are obtained from specified public houses in each of the 200 towns covered by the food enquiries. For this item difficulties concerning quality variations as judged by alterations in alcoholic strength do not normally arise.

Tobacco

The prices of specified brands of cigarettes and pipe tobacco are collected by the Statistics Department from manufacturers, and appropriate adjustments would be made if at any time the size of the selected brands of cigarettes were changed. If found necessary local enquiries are instituted as a check on actual prices.

APPENDIX IX WEIGHTS USED IN CALCULATING THE INDEX OF RETAIL PRICES

(Proportions per 1,000 of Grand Total)

Group and Section	Earlier Series* (in proportion to pre-war consumption at June, 1947 prices)	Current Series* (in proportion to 1950 consumption at January, 1952 prices)
I. FOOD		
1. Bread	23	27
2. Flour	7	4
3. Biscuits, cakes, buns, etc.	32	32
4. Beef	25	22
5. Mutton and lamb	12	15
6. Other meat	23	32
7. Bacon and ham	18	18
8. Fish	8	19
9. Fresh milk.....	32	40
10. Butter	19	14
11. Margarine, cooking fats, etc.	12	11
12. Cheese	5	9
13. Eggs	13	22
14. Tea	16	12
15. Sugar and syrup	11	10
16. Potatoes	11	18
17. Other vegetables	18†	25†
18. Fruit	23†	19†
19. Miscellaneous manufactured foods	40†	50†
Total—Food	348	399
II. RENT AND RATES		
	88	72‡
III. CLOTHING		
1. Men's outer clothing	21	20
2. Men's underclothing	9	10
3. Women's outer clothing	23	19
4. Women's underclothing	8	7
5. Children's outer clothing	8	8
6. Children's underclothing	3	3
7. Clothing materials	5	6
8. Men's footwear	8	11
9. Women's footwear	8	9
10. Children's footwear	4	5
Total—Clothing	97	98
IV. FUEL AND LIGHT		
1. Coal and coke	41	30
2. Gas	14	18
3. Electricity	6	14
4. Other	4	4
Total—Fuel and Light	65	66

Group and Section	Earlier Series* (in proportion to pre-war consumption at June, 1947 prices)	Current Series* (in proportion to 1950 consumption at January, 1952 prices)
V. HOUSEHOLD DURABLE GOODS		
1. Furniture	18	16
2. Appliances, etc.	24	17
3. Floor coverings	11	11
4. Drapery and soft furnishings	9	12
5. Hardware, pottery, glass, etc.	9	6
Total—Household Durable Goods	71	62
VI. MISCELLANEOUS GOODS		
1. Soap	8	7
2. Miscellaneous household goods	9	11
3. Medicines and toilet requisites	7	4
4. Newspapers, books, stationery, etc.	11	22
Total—Miscellaneous Goods	35	44
VII. SERVICES		
1. Travel	25	31
2. Postage, etc.	9	9
3. Entertainment	18	24
4. Other services	27	27
Total—Services	79	91
VIII. ALCOHOLIC DRINK		
1. Beer	93	71
2. Whisky	8	7
Total—Alcoholic Drink	101	78
IX. TOBACCO		
1. Cigarettes	87	72
2. Pipe tobacco	29	18
Total—Tobacco	116	90
GRAND TOTAL	1,000	1,000

*The earlier series of weights were used for calculating the index figures from June, 1947, up to January, 1952. The current series of weights have been used from February, 1952, onwards, for calculating index figures on the basis January, 1952, taken as = 100.

†Canned and bottled vegetables and canned and bottled fruit were covered by the "miscellaneous manufactured foods" section in the earlier series of weights, but in the current series of weights they are included in the sections for "other vegetables" and "fruit", respectively.

‡The weight assigned to rent and rates in the current series includes an allowance for the rents of dwellings built since June, 1947, which had been excluded from the calculations up to January, 1952.

APPENDIX X

I. LIST OF OFFICES OF THE MINISTRY OF LABOUR AND NATIONAL SERVICE USED FOR THE COLLECTION OF FOOD PRICES

(a) In Greater London (25 Offices)

Acton	Hackney
Battersea	Harrow
Bermondsey	Hayes
Brixton	Hendon
Bromley	Ilford
Brook Green	Kingston
Camden Town	Orpington
Croydon	Stepney
Dagenham	Tottenham
East Ham	Walham Green
Enfield	Westminster
Erith	Woolwich
Finchley	

(b) In Towns with Population (in 1947) over 200,000 (25 Offices)

Attercliffe (Sheffield)	Leicester
Belfast	Leith (Edinburgh)
Birmingham	Levenshulme (Manchester)
Bootle	Liverpool
Bradford	Manchester
Bristol	Maryhill (Glasgow)
Cardiff	Newcastle-on-Tyne
Coventry	Nottingham
Glasgow Central	Parkhead (Glasgow)
Handsworth (Birmingham)	Portsmouth
Hanley	Selly Oak (Birmingham)
Hull	Walton (Liverpool)
Leeds	

(c) In Towns with Population (in 1947) of 50,000-200,000 (50 Offices)

Aberdeen	Lancaster
Barnsley	Lincoln
Barrow-in-Furness	Merthyr Tydfil
Bedford	Middlesbrough
Birkenhead	Motherwell
Blackburn	Newcastle-u-Lyme
Blackpool	Newport (Mon.)
Bolton	Northampton
Brighton and Hove	Norwich
Burnley	Nuneaton
Cambridge	Oldham
Carlisle	Oxford
Darlington	Peterborough
Derby	Plymouth
Dudley	Reading
Dundee	St. Helens
Eastbourne	Southampton
Exeter	Stockport
Gateshead	Stretford
Grays	Sunderland
Grimsby	Swansea
Huddersfield	Swindon
Ipswich	Walsall
Keighley	Watford
	Worcester
	York

(d) In Towns with Population (in 1947) of 5,000-50,000 (50 Offices)

Altrincham	Londonderry
Batley	Loughborough
Berwick-on-Tweed	Maesteg
Bishop Auckland	Melton Mowbray
Bletchley	Montrose
Blyth	Northwich
Camborne	Omagh
Chatham	Pembroke Dock
Chichester	Penrith
Chorley	Perth
Cowes	Rothesay
Denton	Rugby
Dover	Saffron Walden
Dumfries	Salisbury
Ebbw Vale	Scarborough
Ellesmere Port	Shrewsbury
Epping	Spalding
Goole	Spennymoor
Hertford	Stafford
High Wycombe	Stroud
Kendal	Todmorden
Kidderminster	Trowbridge
Leek	Weybridge
Leigh (Lancs.)	Workshop
Llanelli	Wrexham

NOTE.—In the case of Belfast, Bradford, Cardiff, Coventry, Hull, Leicester, Newcastle-on-Tyne, Nottingham and Portsmouth one or two of the retailers are located in a suburb.

I. LIST OF OFFICES OF THE MINISTRY OF LABOUR AND NATIONAL SERVICE USED FOR THE COLLECTION OF FOOD PRICES (contd.)

(e) In Towns with Population (in 1947) under 5,000 (50 Offices)

Amble	Cupar	Keith	Newport Pagnell
Annan	Dalbeattie	Keswick	Northallerton
Bakewell	Daventry	Kirkham	Portmadoc
Blandford	Diss	Launceston	Ross-on-Wye
Brecon	Downpatrick	Ledbury	Royston (Herts.)
Cardigan	Dungannon	Leiston	Sandwich
Carrickfergus	Forres	Linlithgow	Shaftesbury
Chipping Norton	Haddington	Liskeard	Shepton Mallet
Cockermouth	Haverhill	Llangollen	Tewkesbury
Crediton	Honiton	Looe	Thame
Crewkerne	Huntly	Malton	Thetford
Cromer	Jedburgh	Marlborough	Towyn
		Maybole	Wallingford

II. LIST OF LOCALITIES COVERED BY THE COLLECTION OF RENT STATISTICS

London County Council Area	Liverpool
Acton	Manchester
Ealing	Middlesbrough
East Ham	Newcastle-on-Tyne
Edmonton	Norwich
Tottenham	Nottingham
Walthamstow	Reading
West Ham	Rochdale
Willesden	St. Helens
	Salford
	Sheffield
Barnsley	Smethwick
Birmingham	South Shields
Blackburn	Stockport
Bolton	Stoke-on-Trent
Bootle	Walsall
Bradford	West Bromwich
Bristol	Wigan
Cardiff	Wolverhampton
Derby	Aberdeen
Hull	Dundee
Leeds	Edinburgh
Leicester	Glasgow
Lincoln	Paisley

APPENDIX XI

CONVENTIONS OF THE INTERNATIONAL LABOUR CONFERENCE.

During the thirty-five Sessions held from 1919 to 1952 the Conference has adopted 103 Conventions embodying the following main principles:—
First Session, 1919

- (1) Hours of work in industry should not exceed eight per day and forty-eight per week.
- (2) A system of free employment offices under public control should be established.
- (3) Women should not be employed in industry or commerce for six weeks before and six weeks after childbirth, and should be paid maternity benefits.
- (4) Women should not work in industry at night.
- (5) Children under fourteen should not be employed in industry.
- (6) No one under eighteen should be employed in industry at night.

Second (Maritime) Session, 1920

- (7) Children under fourteen should not be employed on vessels.
- (8) Shipwrecked sailors should be paid while unemployed.
- (9) Free employment agencies should be provided for seamen.

Third Session, 1921

- (10) Children under fourteen should not be employed in agriculture if their school attendance would suffer thereby.
- (11) Agricultural workers should have the same right to organise as industrial workers.
- (12) Agricultural workers should be included in the operation of workmen's compensation laws.
- (13) The use of white lead in painting should be restricted.
- (14) All industrial workers should have a weekly day of rest.
- (15) No one under eighteen should work as a trimmer or stoker on a vessel.
- (16) Seafarers under eighteen should have a yearly certificate of physical fitness.

Fourth, Fifth and Sixth Sessions, 1922-1924

At these Sessions the Conference adopted Recommendations only, in order to give States time to consider and act on the Conventions already adopted.

Seventh Session, 1925

- (17) Workmen's compensation should be paid for industrial accidents.
- (18) Workmen's compensation should be paid for occupational diseases.
- (19) Foreigners should have equality with nationals as regards accident compensation.
- (20) Night work in bakeries should be forbidden.

Eighth Session, May-June, 1926

- (21) Inspection of emigrants on board ship should be simplified.

Ninth (Maritime) Session, June, 1926

- (22) The completion and enforcement of seamen's articles of agreement should be subject to public supervision.
- (23) Seamen discharged abroad should be repatriated.

Tenth Session, 1927

- (24) Compulsory sickness insurance should be established for industrial and commercial workers and domestic servants.
- (25) Compulsory sickness insurance should be established for agricultural workers.

APPENDIX XI—*continued*

Eleventh Session, 1928

- (26) Minimum-wage-fixing machinery should be created in underpaid trades.

Twelfth Session, May-June, 1929

- (27) The weight should be marked on heavy packages transported by water.
- (28) Measures should be taken to safeguard dockers when loading or unloading ships.

Thirteenth (Maritime) Session, October, 1929

At this Session the Conference completed the first discussion of four questions concerning maritime employment and decided that they should be placed on the agenda of a future Session.

Fourteenth Session, 1930

- (29) Forced or compulsory labour for Natives in colonial territories should be abolished.
- (30) Hours of work for salaried employees should not exceed forty-eight per week and, in general, eight per day.

Fifteenth Session, 1931

- (31) The time spent by each worker in an underground coal mine not to exceed seven hours and three-quarters in one day.

Sixteenth Session, 1932

- (32) The Conference revised Convention No. 28, passed in 1929, on certain points.
- (33) Children under fourteen should not be employed in non-industrial occupations.

Seventeenth Session, 1933

- (34) Fee-charging employment agencies to be abolished.
- (35) A system of compulsory old-age insurance to be established for persons employed in industrial or commercial undertakings, in the liberal professions, and for outworkers and domestic servants.
- (36) A system of compulsory old age insurance to be established for persons employed in agricultural undertakings.
- (37) A system of compulsory invalidity insurance to be established for persons mentioned in No. 35.
- (38) A system of compulsory invalidity insurance to be established for persons employed in agricultural undertakings.
- (39) A system of compulsory widows' and orphans' insurance to be established for persons mentioned in No. 35.
- (40) A system of compulsory widows' and orphans' insurance to be established for persons employed in agricultural undertakings.

Eighteenth Session, 1934

- (41) The Conference revised Convention No. 4 on certain points which do not affect its main principle.
- (42) The Conference extended the list of occupational diseases for which compensation should be paid, under Convention No. 18 Silicosis and other diseases were added.
- (43) Hours of work and rest periods in automatic glass works should be regulated on a basis of 42 working hours to the average week.
- (44) A system of unemployment insurance should be established.

Nineteenth Session, 1935

- (45) Employment of women underground in mines should be prohibited.

APPENDIX XI—*continued*

- (46) The Conference revised Convention No. 31 on certain points which do not affect its main principle.
- (47) The Conference adopted the principle of the 40-hour week, at the same time providing for maintenance of the standard of living of the workers.
- (48) Workers transferring their residence from one country to another should retain their pension rights.
- (49) Hours of work and rest periods in glass-bottle works should be regulated on the basis of 42 working hours to the average week.

Twentieth Session, 1936

- (50) The recruiting of native workers should be regulated.
- (51) Employees in industry and commerce should have at least 6 days annual leave with pay.
- (52) A 40-hour week should be applied on public works.

Twenty-first (Maritime) Session, 1936

- (53) Masters and officers should have certificates of competency.
- (54) Masters and officers should have at least 12 days' annual leave with pay and seamen 9 days.
- (55) The shipowners should be liable in case of sickness or injury of seamen.
- (56) Compulsory sickness insurance should be established for persons employed at sea.
- (57) Hours of work at sea should be fixed on the basis of an 8-hour day and adequate manning scales should be observed.

Twenty-second (Maritime) Session, 1936

- (58) Children under 15 should not be employed on vessels (revision of No. 7).

Twenty-third Session, 1937

- (59) Children under 15 should not be employed in industry (revision of No. 5).
- (60) Children under 15 should not be employed in non-industrial occupations (revision of No. 33).
- (61) A 40-hour week should be applied in the textile industry.
- (62) Safety provisions should be observed in the building industry.

Twenty-fourth Session, 1938

- (63) Statistics of hours of work and wages should be compiled on a uniform basis and communicated periodically to the I.L.O.

Twenty-fifth Session, 1939

- (64) Contracts of employment of indigenous workers should be regulated.
- (65) Penal sanctions for breaches of contract to which the Convention applies should be abolished progressively and as soon as possible. Penal sanctions for any such breach by a non adult person should be abolished immediately.
- (66) The recruitment, placing and conditions of labour of migrants for employment should be regulated.
- (67) The hours of work and rest periods of professional drivers (and their assistants) of road transport vehicles should be regulated.

Twenty-sixth Session, 1944

At this Session the Conference adopted Recommendations only.

Twenty-seventh Session, 1945

At this Session the Conference adopted a Recommendation only.

APPENDIX XI—*continued*

Twenty-eighth (Maritime) Session, 1946

- (68) Provides for the control and inspection of food and catering for crews on board ship.
- (69) Provides that persons selected as ships' cooks shall hold certificates of qualification before appointment.
- (70) Provides for medical and unemployment benefits to resident seafarers.
- (71) Provides for introduction of national schemes to grant pensions to seafarers at age of 55 or 60.
- (72) Makes provision regarding the length of seafarers' minimum annual holidays with pay.
- (73) Seafarers should be medically examined before going to sea, and thereafter at intervals of two years.
- (74) Lays down procedure for granting certificates of qualification for Able Seamen.
- (75) Deals with accommodation of crews on board ship, prescribing in detail the necessary requirements.
- (76) Fixes an international minimum wage for seamen, and provides for its application by collective agreements between shipowners and seafarers.

Twenty-ninth Session, 1946

- (77) Requires a medical examination for children and young persons to establish their fitness for employment in industrial undertakings.
- (78) Requires a medical examination of children and young persons to establish their fitness for employment in non-industrial occupations.
- (79) Restricts the employment at night of children and young persons in non-industrial occupations.
- (80) Provides for amendments to texts of past Conventions adopted by the Organisation made necessary by the dissolution of the League of Nations and the amendment of the Constitution of the International Labour Organisation.

Thirtieth Session, 1947

- (81) Requires a system of labour inspection to be set up in industrial and commercial workplaces to enforce legal provisions relating to conditions of work.
- (82) Embodies policies and measures for the improvement of social conditions in non-metropolitan territories.
- (83) Requires ratifying States to inform the Director-General of the International Labour Office how certain Conventions specified in the Schedule are applied to non-metropolitan territories.
- (84) Guarantees the rights of employers and employed in non-metropolitan territories to form lawful associations.
- (85) Requires labour inspection services to be maintained in non-metropolitan territories.
- (86) Restricts the maximum length of contracts of employment of indigenous workers in non-metropolitan territories.

Thirty-first Session, 1948

- (87) Provides that workers and employers shall have the right to establish or join organisations of their own choosing.
- (88) Requires the establishment of a free public employment service to ensure the best possible organisation of the employment market.
- (89) Restricts the employment of women in industry during the night and revises in certain important respects Convention No. 41.

- (90) Restricts the employment of young persons in industry during the night and revises in certain important respects Convention No. 6.

Thirty-second Session, 1949

- (91) Revises Convention No. 72 on certain points that do not affect its main principles.
- (92) Revises Convention No. 75 on certain points giving a greater amount of flexibility in the application of the Convention.
- (93) Revises Convention No. 76 on certain points that do not affect its main principles.
- (94) Guarantees to workers under public contracts rights equal to those of workers in comparable trades or industries.
- (95) Makes detailed regulations to prevent any abuses in the payment of wages.
- (96) Revises Convention No. 34 by providing the alternatives of regulation or of abolition of fee-charging employment agencies.
- (97) Sets out international minimum standards to protect persons migrating from one country to take employment in another and replaces Convention No. 66.
- (98) Supplements No. 87. It guarantees adequate protection against acts of anti-union discrimination in respect of the employment of workers, and provides protection for workers' and employers' organisations.

Thirty-third Session, 1950

At this Session the Conference adopted a Recommendation only.

Thirty-fourth Session, 1951

- (99) Requires that minimum wage fixing machinery should be created in agriculture.
- (100) Embodies policies concerning equal remuneration for men and women workers for work of equal value.

Thirty-fifth Session, 1952

- (101) Requires Governments to assure agricultural workers an annual holiday with pay after a period of continuous service with the same employer.
- (102) Requires Governments to assure a certain standard of social security protection.
- (103) Requires Governments to assure maternity leave of at least 12 weeks and other forms of maternity protection.

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